

<b>AWARD/CONTRACT</b>		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)		RATING	PAGE OF PAGES 1   84		
2. CONTRACT (Proc. Inst. Ident.) NO. <b>N63394-15-D-0001</b>		3. EFFECTIVE DATE 22 Jul 2015		4. REQUISITION/PURCHASE REQUEST/PROJECT NO.			
5. ISSUED BY NSWC, PORT HUENEME DIVISION 4363 MISSILE WAY, PORT HUENEME CA 93043-4307		CODE <b>N63394</b>	6. ADMINISTERED BY (If other than Item 5) DCMA LOS ANGELES PO BOX 9608 MISSION HILLS CA 93146		CODE <b>S0512A</b>		
7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, state and zip code) JSL TECHNOLOGIES INC. JOE BLACK 1701 PACIFIC AVE STE 270 OXNARD CA 93033-1887			8. DELIVERY [ ] FOB ORIGIN [X] OTHER (See below)				
			9. DISCOUNT FOR PROMPT PAYMENT				
			10. SUBMIT INVOICES <b>2</b> (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN:		ITEM		
CODE <b>56L11</b>		FACILITY CODE					
11. SHIP TO/MARK FOR NAVAL SURFACE WARFARE CENTER CODE 01 PORT HUENEME DIVISION 4363 MISSILE WAY PORT HUENEME CA 93043-4307		CODE <b>N63394</b>	12. PAYMENT WILL BE MADE BY DFAS COLUMBUS CENTER, WEST ENTITLEMENT P.O. BOX 182381 COLUMBUS OH 43218-2381		CODE <b>HQ0339</b>		
13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: [X] 10 U.S.C. 2304(c)( 5 ) [ ] 41 U.S.C. 253(c)( )			14. ACCOUNTING AND APPROPRIATION DATA				
15A. ITEM NO.	15B. SUPPLIES/ SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT		
<b>SEE SCHEDULE</b>							
<b>15G. TOTAL AMOUNT OF CONTRACT</b>					<b>\$936,784.31 EST</b>		
16. TABLE OF CONTENTS							
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<b>CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE</b>							
17. [ ] CONTRACTOR'S NEGOTIATED AGREEMENT Contractor is required to sign this document and return copies to issuing office. Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)				18. [X] AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number <b>N63394-15-R-00110002</b> REF: Proposal 15-9011 including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.			
19A. NAME AND TITLE OF SIGNER (Type or print)				20A. NAME OF CONTRACTING OFFICER SCOTT W FUTRELLE / CONTRACTING OFFICER/ LCDR O4 TEL: 805-228-0472 EMAIL: scott.futrelle@navy.mil			
19B. NAME OF CONTRACTOR		19C. DATE SIGNED		20B. UNITED STATES OF AMERICA   BY (Signature of Contracting Officer)		20C. DATE SIGNED 22-Jul-2015	
BY _____ (Signature of person authorized to sign)							

Section B - Supplies or Services and Prices

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0001	Accounting Support Services FFP Financial & Accounting Support Services FOB: Destination	17,280	Hours	(b) (4)	(b) (4)
					<hr/>
				MAX NET AMT	(b) (4)

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0002	Project Manager Support Services FFP Financial & Accounting Support Services FOB: Destination	1,980	Hours	(b) (4)	(b) (4)
					<hr/>
				MAX NET AMT	(b) (4)

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0003	Accounting Overtime Sup Servi FFP Financial & Accounting Support Services FOB: Destination	600	Hours	(b) (4)	(b) (4)
				MAX NET AMT	(b) (4)

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0004 OPTION	Accounting Support Services FFP Financial & Accounting Support Services FOB: Destination	17,280	Hours	(b) (4)	(b) (4)
				MAX NET AMT	(b) (4)

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0005 OPTION	Project Manager Support Services FFP Financial & Accounting Support Services FOB: Destination	1,980	Hours	(b) (4)	(b) (4)
				MAX NET AMT	(b) (4)

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0006 OPTION	Accounting Overtime Sup Servi FFP Financial & Accounting Support Services FOB: Destination	600	Hours	(b) (4)	(b) (4)
				MAX NET AMT	(b) (4)

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0007 OPTION	Accounting Support Services FFP Financial & Accounting Support Services FOB: Destination	17,280	Hours	(b) (4)	(b) (4)
					<hr/>
				MAX NET AMT	(b) (4)

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0008 OPTION	Project Manager Support Services FFP Financial & Accounting Support Services FOB: Destination	1,980	Hours	(b) (4)	(b) (4)
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0009 OPTION	Accounting Overtime Sup Servi FFP Financial & Accounting Support Services FOB: Destination	600	Hours	(b) (4)	(b) (4)
				MAX NET AMT	(b) (4)

**NOTE B**

**HQ B-2-0011**

**NOTE (OVERTIME)**

**NOTE B** - Offeror shall quote overtime rates only. An estimated amount for each support item shall be set forth in the resulting contract or upon exercise of option(s), as applicable.

**(End of Text)**

**CLAUSES INCORPORATED BY FULL TEXT**

**HQ B-2-0004**

**EXPEDITING CONTRACT CLOSEOUT (NAVSEA) (DEC 1995)**

(a) As part of the negotiated fixed price or total estimated amount of this contract, both the Government and the Contractor have agreed to waive any entitlement that otherwise might accrue to either party in any residual dollar amount of \$500 or less at the time of final contract closeout. The term "residual dollar amount" shall include all money that would otherwise be owed to either party at the end of the contract, except that, amounts connected in any way with taxation, allegations of fraud and/or antitrust violations shall be excluded. For purposes of determining residual dollar amounts, offsets of money owed by one party against money that would otherwise be paid by that party may be considered to the extent permitted by law.

(b) This agreement to waive entitlement to residual dollar amounts has been considered by both parties. It is agreed that the administrative costs for either party associated with collecting such small dollar amounts could exceed the amount to be recovered.

**(End of Text)**

CLAUSES INCORPORATED BY FULL TEXT

**HQ B-2-0009 NOTE (CDRL)**

**NOTE A** - Offeror shall complete the "Price Group" and "Estimated Total Price" blocks of each data item on the Contract Data Requirements List(s), attached hereto.

**(End of Text)**

CLAUSES INCORPORATED BY FULL TEXT

**HQ B-2-0022 CONTRACT SUMMARY FOR PAYMENT OFFICE (FIXED PRICE) (FEB 1997)**

This entire contract is fixed price.

**(End of Text)**

Section C - Descriptions and Specifications

PWS

## **Performance Work Statement (PWS)**

### **Accounting and Financial Analysis Support Services**

#### **1.0 Introduction**

This procurement shall provide Accounting and Financial Analysis support services to the Comptroller Office of the Naval Surface Warfare Center, Port Hueneme Division (NSWC PHD), Port Hueneme, California. NSWC PHD is a field activity of Naval Sea Systems Command (NAVSEA).

#### **1.1 Mission**

The Comptroller Office, Code 007, provides support to all levels of command with staff service directed towards efficiency and economy in the financial and business operations of the command. The Comptroller is responsible for administering all laws, policies, regulations and directives pertaining to financial management.

#### **1.2 Background**

The Comptroller Office carries out financial management functions in support of the In-Service Engineering Agent (ISEA) mission. The customer organizations served by the Comptroller Office include the ships of the US Navy, US Navy shore activities, the navies of allied nations purchasing ISEA services, and industry partners.

#### **1.3 Scope**

This procurement shall provide Accounting and Financial Analysis Support Services to the Comptroller Office mission. Services necessary to support the mission include:

- Accounting Management Functions
- Fund Control Functions
- General Accounting Functions
- Payroll Functions
- Travel Financial Analysis Function
- Audit Readiness and Navy ERP Support Functions

Services shall be required at 4363 Missile Way, Bldg. 445, Port Hueneme, CA 93043-4307

#### **2.0 Navy ERP Requirements**

Contractors are responsible for ensuring that all training requirements are met as identified within the Navy ERP system located at <https://ep.erp.navy.mil/irj/portal>. Completing all training requirements successfully will provide the roles required into Navy ERP. Failure to complete the appropriate training classes will result in roles not being activated. Without the required roles, the necessary tasks cannot be performed by the contractor. Minimum training required for each labor category is as follows:

##### **General Accounting**

<b>Title</b>	<b>Role No.</b>	<b>Hours</b>
FI - Accounting Display	0012	2
FI - Financial Accounting Reports	0013	2
FI - Financial Accounting - Accounts Payable	0015	6
SD - SD Display	0114	2
FM - Funds Management Display	0006	3

FM - Funds Management Reports	0007	3
BW - Financial Reports	8020	2

**Accounting Management**

<b>Title</b>	<b>Role No.</b>	<b>Hours</b>
FI - Cash Management	0243	6
FI - Financial Accounting Display	0012	2
FI - Financial Accounting Reports	0013	2
SD - SD Display	0114	2
BW - Financial Reports	8020	2

**Funds Control**

<b>Title</b>	<b>Role No.</b>	<b>Hours</b>
SD - Reimbursable Billing Monitor	0119	3
SD - Output Developer	0117	2
SD - SD Display	0114	2
SD - Financial Accounting - Accounts Receivable	0014	2
SD - Funds Management	0006	4
DMS - SD DMS Sales Funding Documents View Only	0111	1
FI - Accounting Display	0012	2
FI - Financial Accounting Reports	0013	2
CO - Managerial Accounting Display	0001	2
CO - Managerial Accounting Reports	0002	2
FM - Funds Management Display	0006	4
FM - Funds Management Reports	0007	4
PS - Project Business Financial Manager	0050	6
BW - Business Warehouse Sales and Distribution Reports	8060	1
BW - Financial Reports	8020	2

**Payroll**

<b>Title</b>	<b>Role No.</b>	<b>Hours</b>
WFM - Time Administrator	0080	5
WFM - DCPS Customer Service Representative	0082	5
WFM - Organizational Management Reports	0073	5
BW - Controlling Labor Reports	8010	2

**Financial Analysis**

<b>Title</b>	<b>Role No.</b>	<b>Hours</b>
FI - Financial Accounting Display	0012	2
FM - Funds Management Reports	0007	4
FI - Financial Accounting - Accounts Payable	0015	6
SD - SD Display	0114	2
FI - Financial Accounting Display	0012	2
FI - Financial Accounting Reports	0013	2

FI - Cash Management	0243	6
BW - Financial Reports	8020	2

## **2.1 Non-Personal Services**

The Government shall neither supervise contractor employees nor control the method by which the contractor performs the required tasks. Under no circumstances shall the Government assign tasks to, or prepare work schedules for, individual contractor employees. It shall be the responsibility of the contractor to manage its employees and to guard against any actions that are of the nature of personal services, or give the perception of personal services. If the contractor believes that any actions constitute, or are perceived to constitute personal services, it shall be the contractor's responsibility to notify the Procuring Contracting Officer (PCO) immediately.

## **2.2 Business Relations**

The contractor shall successfully integrate and coordinate all activity needed to execute the requirement. The contractor shall manage the timeliness, completeness, and quality of problem identification. The contractor shall provide corrective action plans, proposal submittals, timely identification of issues, and effective management of subcontractors. The contractor shall seek to ensure customer satisfaction and professional and ethical behavior of all contractor personnel.

## **2.3 Contract Administration and Management**

The following subsections specify requirements for contract, management, and personnel administration.

### **2.3.1 Contract Management**

The contractor shall establish clear organizational lines of authority and responsibility to ensure effective management of the resources assigned to the requirement. The contractor must maintain continuity between the support operations at [4363 Missile Way, Bldg. 445, Port Hueneme, CA 93043-4307] and the contractor's corporate offices.

### **2.3.2 Contract Administration**

The contractor shall establish processes and assign appropriate resources to effectively administer the requirement. The contractor shall respond to Government requests for contractual actions in a timely fashion. The contractor shall have a single point of contact between the Government and Contractor personnel assigned to support contracts or task orders. The contractor shall assign work effort and maintaining proper and accurate time keeping records of personnel assigned to work on the requirement.

### **2.3.3 Personnel Administration**

2.3.3.1 The contractor shall provide the following management and support as required. The contractor shall provide for employees during designated Government non-work days or other periods where Government offices are closed due to weather or security conditions. The contractor shall maintain the currency of their employees by providing initial and refresher training as required to meet the PWS requirements. The contractor shall make necessary travel arrangements for employees. The contractor shall provide necessary infrastructure to support contract tasks. The contractor shall provide administrative support to employees in a timely fashion (time keeping, leave processing, pay, emergency needs).

2.3.3.2 The contractor will appoint one lead on-site contractor personnel that will be responsible for disseminating information to all other contractors. Disseminating of information will occur via face to face production meetings, via phone or via e-mail.

2.3.3.3 Contractor personnel are required to identify themselves as such at the beginning of official communications with Government personnel, whether in person, by telephone, teleconference or electronic mail, or by any other means, unless the contractor is already personally known to all participants in an official communication to be a

contractor, such as in the case of continuing official contact. In all cases where doubt may exist, the contractor personnel shall identify themselves as contractors and by the company name of their employer.

2.3.3.4 All e-mail messages from contractors shall, without exception, clearly identify the sender as a contractor and include the company name of their employer.

## **2.4 Subcontract Management**

The contractor shall be responsible for any subcontract management necessary to integrate work performed on this requirement and shall be responsible and accountable for subcontractor performance on this requirement. The prime contractor will manage work distribution to ensure there are no Organizational Conflict of Interest (OCI) considerations. Contractors may add subcontractors to their team after notification to the Procuring Contracting Officer (PCO) or Contracting Officer Representative (COR). Cross teaming may or may not be permitted.

## **2.5 Contractor Personnel, Disciplines, and Specialties**

The contractor shall accomplish the assigned work by employing and utilizing qualified personnel with appropriate combinations of education, training, and experience. The contractor shall match personnel skills to the work or task with a minimum of under/over employment of resources. The contractor shall ensure the labor categories as defined in the Labor Categories document (see attachment), labor rates, and man-hours utilized in the performance of each Task Order (PWS line item) issued hereunder will be the minimum necessary to accomplish the task.

The Contractor shall provide the necessary resources and infrastructure to manage, perform, and administer the contract.

## **2.6 Location and Hours of Work**

2.6.1 Accomplishment of the results contained in this PWS requires work at [4363 Missile Way, Bldg. 445, Port Hueneme, CA 93043], contractor, and subcontractor facilities. Normal workdays are Monday through Friday except US Federal Holidays. Workers typically work eight (8) hours per day, 40 hours per week. Core hours of work are from 0900 to 1500 daily. All contractor employees are expected to be available during core hours. The standard hours of operation for remote site and travel destination work places are determined locally and may vary. Project Manager must be onsite at 4363 Missile Way, Bldg. 445, Port Hueneme, CA 93043 one week per month.

2.6.2 Contractors shall not be present in Government facilities unless Government personnel are physically present at all times to carry out security-related functions. Government-Owned Contractor-Operated (GOCO) facilities outside of NSWC PHD are exempt from this requirement if appropriate local Government authority permits.

2.6.3 Provision will be made by the Government to allow necessary building, site, and facility access for contractor personnel on weekends, after hours and Federal holidays when necessary to this requirement. Contractor personnel, who must work weekends and Federal holidays, however do not require access to Government buildings, sites and facilities shall work at the contractor facility or such other non-Government facility as may be determined by the contractor as appropriate for the conduct of the work under this requirement.

2.6.4 Contractors requiring routine or repeated access to Naval Base Ventura County (NBVC) under this procurement may participate in the RAPIDGate program at their discretion as an alternate to securing daily base passes. Note that Common Access Cards (CACs) will not be issued to contractor personnel merely to allow convenient access to NBVC as an alternative to securing daily base passes or participating in the RAPIDGate program.

2.6.5 The standard hours of operation for NSWC PHD Port Hueneme site personnel are 0730-1700 Pacific Time, Monday-Friday. Hours of operation may be altered at no notice as necessitated by Force Protection posture or as a result of severe weather, disaster, fire, facility condition, security incident or other similar emergency or event.

2.6.6 Project Manager must be present at NSWC PHD at least one week every month.

## **3.0 Performance Requirements**

The following section specifies the Performance Objectives and Performance Elements for the contract.

3.0.1 Provide and perform corrective functions in the area of unmatched disbursements, research and validate accounting obligations, and reconcile financial data within the Defense Finance and Accounting System (DFAS) and the financial system of record.

3.0.1.1 The contractor shall perform corrective functions within the area of unmatched disbursements.

3.0.1.2 The contractor shall research and validate accounting obligations to ensure accurate recording of financial information.

3.0.1.3 The contractor shall conduct daily research of contract pre-validations and, if appropriate, request appropriate action.

3.0.1.4 The contractor shall download daily unmatched disbursement reports.

3.0.1.5 The contractor shall maintain Excel spreadsheets for the prevalidation of cash disbursements.

3.0.1.6 The contractor shall respond to customer inquiries both verbally and in writing.

3.0.1.7 The contractor shall ensure the completion and accuracy of contract file folders in support of the Comptroller Office readiness of an audit.

3.0.1.8 The contractor shall process and integrate data into Navy ERP.

3.0.2 Provide and perform incoming/outgoing funding document support functions within the Budget Services Division of the Comptroller Office.

3.0.2.1 The contractor shall review and analyze incoming sponsor funding documents .

3.0.2.2 The contractor shall verify the accuracy of accounting information in the business/financial system.

3.0.2.3 The contractor shall respond verbally or in writing to customer inquiries.

3.0.2.4 The contractor shall coordinate with department and office personnel efforts such as the gathering and review of supporting documentation required for fund document processing.

3.0.2.5 The contractor shall maintain the funding document filing system, in electronic and hardcopy formats, as well as necessary associated logs.

3.0.2.6 The contractor shall perform follow-up actions for funding documents. The contractor will also ensure fund document package is complete and organized for scanning to the appropriate folder.

3.0.2.7 The contractor shall complete close out processing of funding documentation after final billing has been administered.

3.0.2.8 The contractor shall review and download funding document folders.

3.0.2.9 The contractor shall organize and scan the required funding papers to the necessary drives and or electronic folders.

3.0.2.10 The contractor shall prepare and coordinate outgoing funding obligation packages for various Departments and Office personnel (both government and contractor).

3.0.3 Provide and perform document control functions for the Comptroller Office.

3.0.3.1 The contractor shall review vendor invoices for accuracy and completeness.

3.0.3.2 The contractor shall match vendor invoices to outstanding contract line items .

3.0.3.3 The contractor shall verify the accuracy of accounting documents (i.e. fund documents, vouchers, invoices, etc.) and identify a course of action to take in resolving issues.

3.0.4 Provide and perform payroll functions for the Business Services Division of the Comptroller Office.

3.0.4.1 The contractor shall coordinate and process labor transfers.

3.0.4.2 The contractor shall resolve issues regarding time entry and other related payroll matters.

3.0.4.3 The contractor shall review, process, and file labor and non-labor cost transfer actions.

3.0.4.4 The contractor shall review, process, and file travel compensatory time forms in Navy ERP.

3.0.4.5 The contractor shall respond verbally and/or in writing to customer payroll questions in a timely manner.

3.0.4.6 The contractor shall correct and process Undistributed Labor transactions and rejections from the Defense Civilian Payroll System (DCPS).

3.0.4.7 The contractor shall process payroll documents (i.e. union dues, court/military leave, W-4 changes and new hires).

3.0.4.8 The contractor shall execute, validate, and follow-up on Navy ERP Time and Attendance reports.

3.0.4.9 The contractor shall update desk procedures, as needed.

3.0.4.10 The contractor shall submit payroll remedy tickets to DCPS, as needed and for continued resolution.

3.0.5 Provide and perform travel related support functions in the Employee Services Division of the Comptroller Office.

3.0.5.1 The contractor shall review travel authorizations and travel vouchers for accuracy.

3.0.5.2 The contractor shall resolve issues with travel and other related matters through providing customer support to departments/offices and other Comptroller Office personnel.

3.0.5.3 The contractor shall respond verbally and/or in writing to customer travel questions or concerns in a timely manner.

3.0.5.4 The contractor shall provide customer assistance with travel documents.

3.0.5.5 The contractor shall submit DTS Help Tickets as required and follow up on resolutions.

3.0.5.6 The contractor shall update desk procedures, as needed.

3.0.6 Perform and provide support functions in the areas of Financial Improvement and Audit Readiness (FIAR) and Navy ERP reporting for the Comptroller Office.

3.0.6.1 The contractor shall attend all FIAR meetings and compile meeting minutes, agendas and attendance rosters.

3.0.6.2 The contractor shall provide administrative support to FIAR-related Tiger Teams as required per the FIAR lead.

3.0.6.3 The contractor shall assist the FIAR lead with drafting and revising policies and procedures in efforts to maintain financial compliance.

3.0.6.4 The contractor shall assist the FIAR team in enforcing and monitoring Corrective Actions Plans (CAPs) as deemed necessary.

3.0.6.5 The contractor shall assist with maintaining the FIAR log and the status of any pending or completed FIAR-related actions within the Command.

3.0.6.6 The contractor shall provide support in the area of records management.

3.0.6.7 The contractor shall develop and maintain various financial metrics and charts.

3.0.6.8 The contractor shall provide support to the Operating Materials and Supplies (OM&S) Tiger Team.

3.0.6.9 The contractor shall provide support to the Extended Business Office (EBO).

#### **4.0 Quality**

This section describes the Quality Control components for this effort. The following sub-sections provide details of various considerations on this effort.

##### **4.0.1 Quality Control**

The Contractor shall develop a Task/Delivery Order Quality Control Plan (QCP) and maintain an effective quality control program to ensure services are performed in accordance with the firm fixed price contract and this PWS.

The Contractor shall develop and implement procedures to identify, prevent, and ensure non-recurrence of defective services. The Contractors QCP is the means by which he assures himself that his work complies with the requirement of the contract.

The finalized QCP will be accepted by the Government at the time of the award of the Task/Delivery Order. The Contracting Officer may notify the Contractor of required modifications to the plan during the period of performance. The Contractor then shall coordinate suggested modifications and obtain acceptance of the plan by the Contracting Officer. Any modifications to the program during the period of performance shall be provided to the Contracting Officer for review no later than 10 working days prior to effective date of the change. The QCP shall be subject to the Governments review and approval. The Government may find the QCP "unacceptable" whenever the Contractors procedures do not accomplish quality control objective(s). The Contractor shall revise the QCP within 10 working days from receipt of notice that QCP is found "unacceptable."

##### **4.0.2 Quality Assurance Surveillance Plan (QASP)**

The Government shall monitor the Contractors performance under this Task/Delivery Order in accordance with the Government QASP.

#### **5.0 Non-Disclosure Agreement**

5.1 Contractor personnel occupying NSWC PHD facilities, and contractor personnel who routinely visit NSWC PHD facilities, may, at the Governments discretion, be required as a condition of access to said facilities to sign a Certificate of Non-Disclosure (CND), also referred to as a Non-Disclosure Agreement (NDA), to protect classified and unclassified Government financial and other business sensitive information they may become aware of through proximity to Government personnel, information and spaces. Contractor personnel may, at the Governments discretion, be required to sign a CND (or NDA) to protect financial and other proprietary information pertaining to other contractors if the completion of the tasking in this PWS necessitates access to such information. If required, the COR shall issue CNDs/NDAs to the contractor, who will return signed CNDs/NDAs to the COR within three business days. The provisions of Section H of this procurement pertaining to Non-Disclosure Statements, CNDs and NDAs apply.

#### **6.0 Deliverables**

6.1 Unless otherwise specified in this requirement or waived by the COR, deliverables shall be made in the Microsoft Office suite of products (or a Microsoft Office compatible format) and the Adobe Acrobat portable document file (.pdf) format. Images and video shall be in a format compatible with common viewing software and players authorized for use on the Navy-Marine Corps Intranet (NMCI).

6.2 Data Ownership and Intellectual Property Protection. All data produced as deliverables and developed as by-products under this procurement are Government property. The Government reserves the right to reproduce and distribute such data as it deems necessary. The contractor is responsible for ensuring compliance with all intellectual property, copyright and trademark laws and for the appropriate marking of copyrighted and trademarked data incorporated into data and deliverables produced under this procurement, including obtaining permission for use and reproduction by the Government as appropriate.

6.3 General Procurement Deliverables. In addition to deliverables specified in paragraphs (1.0) through (5.0) (if included in the SOW) above, the contractor shall provide the following deliverables. Unless otherwise specified

herein, deliverables shall be provided by electronic mail message using Microsoft Office suite of applications; any Privacy Act-protected information that would otherwise be included in such deliverables shall be transmitted by a secure means appropriate to the protection of that information. The COR may specify in advance of any report what format shall be followed and will provide that format or a sample to the contractor. If no format is specified by the COR, the contractor shall choose an appropriate business format for the deliverable.

6.3.1 Security List. List of personnel with their security clearances is due to the COR 10 business days after procurement award, per the Contract Data Requirements List.

6.3.2 Monthly Status Reports. Report shall include technical accomplishments and expenditures (labor hours, travel, and material) and a list of personnel working the procurement by paragraph and is due to the COR by the 10th of each month (CDRL).

6.4 Completion Funding Report. No later than 60 calendar days prior to the planned completion of this order the contractor shall deliver to the COR and the contracts specialist a Completion Funding Report showing the following funding status identified by CLIN and major tasking paragraph heading (CDRL):

6.4.1 Remaining ceiling;

6.4.2 Balance of funds available on the order;

6.4.3 Balance of funds required to complete the order on schedule;

6.4.4 Anticipated de-obligation amounts, if any; and

6.4.5 All other funding matters affecting completion of the order

## CLAUSES INCORPORATED BY FULL TEXT

### **HQ C-1-0001 ITEMS(S)\_\_\_\_ - DATA REQUIREMENTS (NAVSEA) (SEP 1992)**

The data to be furnished hereunder shall be prepared in accordance with the Contract Data Requirements List, DD Form 1423, Exhibit(s) \_\_\_\_\_, attached hereto.

(End of Text)

### **HQ C-2-0002 ACCESS TO PROPRIETARY DATA OR COMPUTER SOFTWARE (NAVSEA) (JUN 1994)**

(a) Performance under this contract may require that the Contractor have access to technical data, computer software, or other sensitive data of another party who asserts that such data or software is proprietary. If access to such data or software is required or to be provided, the Contractor shall enter into a written agreement with such party prior to gaining access to such data or software. The agreement shall address, at a minimum, (1) access to, and use of, the proprietary data or software exclusively for the purposes of performance of the work required by this contract, and (2) safeguards to protect such data or software from unauthorized use or disclosure for so long as the data or software remains proprietary. In addition, the agreement shall not impose any limitation upon the Government or its employees with respect to such data or software. A copy of the executed agreement shall be provided to the Contracting Officer.

The Government may unilaterally modify the contract to list those third parties with which the Contractor has agreement(s).

(b) The Contractor agrees to: (1) indoctrinate its personnel who will have access to the data or software as to the restrictions under which access is granted; (2) not disclose the data or software to another party or other Contractor personnel except as authorized by the Contracting Officer; (3) not engage in any other action, venture, or employment wherein this information will be used, other than under this contract, in any manner inconsistent with the spirit and intent of this requirement; (4) not disclose the data or software to any other party, including, but not limited to, joint venture, affiliate, successor, or assign of the Contractor; and (5) reproduce the restrictive stamp, marking, or legend on each use of the data or software whether in whole or in part.

(c) The restrictions on use and disclosure of the data and software described above also apply to such information received from the Government through any means to which the Contractor has access in the performance of this contract that contains proprietary or other restrictive markings.

(d) The Contractor agrees that it will promptly notify the Contracting Officer of any attempt by an individual, company, or Government representative not directly involved in the effort to be performed under this contract to gain access to such proprietary information. Such notification shall include the name and organization of the individual, company, or Government representative seeking access to such information.

(e) The Contractor shall include this requirement in subcontracts of any tier which involve access to information covered by paragraph (a), substituting "subcontractor" for "Contractor" where appropriate.

(f) Compliance with this requirement is a material requirement of this contract.

**(End of Text)**

#### **HQ C-2-0034 MINIMUM INSURANCE REQUIREMENTS (NAVSEA) (SEP 1990)**

In accordance with the clause of this contract entitled "INSURANCE--WORK ON A GOVERNMENT INSTALLATION" (FAR 52.228-5), the Contractor shall procure and maintain insurance, of at least the kinds and minimum amounts set forth below:

(a) Workers' Compensation and Employer's Liability coverage shall be at least \$100,000, except as provided in FAR 28.307(a).

(b) Bodily injury liability insurance coverage shall be written on the comprehensive form of policy of at least \$500,000 per occurrence.

(c) Automobile Liability policies covering automobiles operated in the United States shall provide coverage of at least \$200,000 per person and \$500,000 per occurrence for bodily injury and \$20,000 per occurrence for property damage. The amount of liability coverage on other policies shall be commensurate with any legal requirements of the locality and sufficient to meet normal and customary claims.

**(End of Text)**

#### **HQ C-2-0037 ORGANIZATIONAL CONFLICT OF INTEREST (NAVSEA)(JUL 2000)**

(a) "Organizational Conflict of Interest" means that because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the Government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage. "Person" as used herein includes Corporations, Partnerships, Joint Ventures, and other business enterprises.

(b) The Contractor warrants that to the best of its knowledge and belief, and except as otherwise set forth in the contract, the Contractor does not have any organizational conflict of interest(s) as defined in paragraph (a).

(c) It is recognized that the effort to be performed by the Contractor under this contract may create a potential organizational conflict of interest on the instant contract or on a future acquisition. In order to avoid this potential conflict of interest, and at the same time to avoid prejudicing the best interest of the Government, the right of the Contractor to participate in future procurement of equipment and/or services that are the subject of any work under this contract shall be limited as described below in accordance with the requirements of FAR 9.5.

(d) (1) The Contractor agrees that it shall not release, disclose, or use in any way that would permit or result in disclosure to any party outside the Government any information provided to the Contractor by the Government during or as a result of performance of this contract. Such information includes, but is not limited to, information submitted to the Government on a confidential basis by other persons. Further, the prohibition against release of Government provided information extends to cover such information whether or not in its original form, e.g., where the information has been included in Contractor generated work or where it is discernible from materials incorporating or based upon such information. This prohibition shall not expire after a given period of time.

(2) The Contractor agrees that it shall not release, disclose, or use in any way that would permit or result in disclosure to any party outside the Government any information generated or derived during or as a result of performance of this contract. This prohibition shall expire after a period of three years after completion of performance of this contract.

(3) The prohibitions contained in subparagraphs (d)(1) and (d)(2) shall apply with equal force to any affiliate of the Contractor, any subcontractor, consultant, or employee of the Contractor, any joint venture involving the Contractor, any entity into or with which it may merge or affiliate, or any successor or assign of the Contractor. The terms of paragraph (f) of this Special Contract Requirement relating to notification shall apply to any release of information in contravention of this paragraph (d).

(e) The Contractor further agrees that, during the performance of this contract and for a period of three years after completion of performance of this contract, the Contractor, any affiliate of the Contractor, any subcontractor, consultant, or employee of the Contractor, any joint venture involving the Contractor, any entity into or with which it may subsequently merge or affiliate, or any other successor or assign of the Contractor, shall not furnish to the United States Government, either as a prime contractor or as a subcontractor, or as a consultant to a prime contractor or subcontractor, any system, component or services which is the subject of the work to be performed under this contract. This exclusion does not apply to any recompetition for those systems, components or services furnished pursuant to this contract. As provided in FAR 9.505-2, if the Government procures the system, component, or services on the basis of work statements growing out of the effort performed under this contract, from a source other than the contractor, subcontractor, affiliate, or assign of either, during the course of performance of this contract or before the three year period following completion of this contract has lapsed, the Contractor may, with the authorization of the cognizant Contracting Officer, participate in a subsequent procurement for the same system, component, or service. In other words, the Contractor may be authorized to compete for procurement(s) for systems, components or services subsequent to an intervening procurement.

(f) The Contractor agrees that, if after award, it discovers an actual or potential organizational conflict of interest, it shall make immediate and full disclosure in writing to the Contracting Officer. The notification shall include a description of the actual or potential organizational conflict of interest, a description of the action which the Contractor has taken or proposes to take to avoid, mitigate, or neutralize the conflict, and any other relevant information that would assist the Contracting Officer in making a determination on this matter. Notwithstanding this notification, the Government may terminate the contract for the convenience of the Government if determined to be in the best interest of the Government.

(g) Notwithstanding paragraph (f) above, if the Contractor was aware, or should have been aware, of an organizational conflict of interest prior to the award of this contract or becomes, or should become, aware of an organizational conflict of interest after award of this contract and

does not make an immediate and full disclosure in writing to the Contracting Officer, the Government may terminate this contract for default.

(h) If the Contractor takes any action prohibited by this requirement or fails to take action required by this requirement, the Government may terminate this contract for default.

(i) The Contracting Officer's decision as to the existence or nonexistence of an actual or potential organizational conflict of interest shall be final.

(j) Nothing in this requirement is intended to prohibit or preclude the Contractor from marketing or selling to the United States Government its product lines in existence on the effective date of this contract; nor, shall this requirement preclude the Contractor from participating in any research and development or delivering any design development model or prototype of any such equipment. Additionally, sale of catalog or standard commercial items are exempt from this requirement.

(k) The Contractor shall promptly notify the Contracting Officer, in writing, if it has been tasked to evaluate or advise the Government concerning its own products or activities or those of a competitor in order to ensure proper safeguards exist to guarantee objectivity and to protect the Government's interest.

(l) The Contractor shall include this requirement in subcontracts of any tier which involve access to information or situations/conditions covered by the preceding paragraphs, substituting "subcontractor" for "contractor" where appropriate.

(m) The rights and remedies described herein shall not be exclusive and are in addition to other rights and remedies provided by law or elsewhere included in this contract.

(n) Compliance with this requirement is a material requirement of this contract.

**(End of Text)**

#### ACCESS TO THE NAVY SUPPLY SYSTEM (NAVSEA) (MAR 2011)

(a) In compliance with the comparability requirement of 10 U.S.C. 7314, Public and Private Shipyards will be provided equal access to the Naval Supply System. Use by private yards is permissive, not mandatory.

(b) Pursuant to the clause of this contract entitled "GOVERNMENT SUPPLY SOURCES" (FAR 52.251-1) the Contracting Officer hereby authorizes the Contractor to place orders with the Navy Supply System for materials and equipment or other supplies necessary to perform the required work. The Naval Supply System shall process such orders in the same manner as it would for any other Navy supply user, and the Contractor shall make payment on account of materials and equipment and other supplies ordered and/or received in accordance with the normal

requirements of the Naval Supply Systems Command, but in no event shall payment in full be any later than 30 days after receipt by the Contractor of each order. The Contractor shall pay the Naval Supply System any costs for materials, equipments, or other supplies obtained including any surcharges normally charged to any other Naval Supply System user.

(c) This job order has been priced on the basis that, except as specifically provided elsewhere in this contract with regards to Government furnished property, the Contractor shall provide all necessary materials, equipments and supplies for performance of this contract. If the Contractor uses the Naval Supply System, it has elected to use the system for its own convenience to meet its contractual obligations to perform the work under this contract. The Naval Supply System is considered to be an alternate source or vendor of contractor furnished material; therefore materials, equipments, or other supplies ordered and/or obtained from the Naval Supply System are specifically not considered to be Government furnished material, but are considered to be contractor furnished material. The Government makes no representation as to the availability of materials, equipments, or other supplies for the performance of the work required under this contract, nor shall unavailability, late delivery, delivery of non-conforming supplies, higher costs of the Naval Supply System (if any), or any failure of the Naval Supply System to meet the expectations or requirements of the Contractor constitute excusable delay or grounds for equitable or any other adjustment to the contract or relief from the requirement to perform in accordance with the terms of the contract.

## Section D - Packaging and Marking

## CLAUSES INCORPORATED BY FULL TEXT

HQ D-1-0001 DATA PACKAGING LANGUAGE

Data to be delivered by Integrated Digital Environment (IDE) or other electronic media shall be as specified in the contract.

All unclassified data to be shipped shall be prepared for shipment in accordance with best commercial practice.

Classified reports, data, and documentation shall be prepared for shipment in accordance with National Industrial Security Program Operating Manual (NISPOM), DOD 5220.22-M dated 28 February 2006.

(End of Text)

## CLAUSES INCORPORATED BY FULL TEXT

**HQ D-2-0008 MARKING OF REPORTS (NAVSEA) (SEP 1990)**

All reports delivered by the Contractor to the Government under this contract shall prominently show on the cover of the report:

- (1) name and business address of the Contractor
- (2) contract number
- (3) contract dollar amount
- (4) whether the contract was competitively or non-competitively awarded
- (5) sponsor:

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(Name of Individual Sponsor)

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(Name of Requiring Activity)

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(City and State)

**(End of Text)**

## Section E - Inspection and Acceptance

## INSPECTION AND ACCEPTANCE TERMS

Supplies/services will be inspected/accepted at:

CLIN	INSPECT AT	INSPECT BY	ACCEPT AT	ACCEPT BY
0001	N/A	N/A	N/A	Government
0002	N/A	N/A	N/A	Government
0003	N/A	N/A	N/A	Government
0004	N/A	N/A	N/A	Government
0005	N/A	N/A	N/A	Government
0006	N/A	N/A	N/A	Government
0007	N/A	N/A	N/A	Government
0008	N/A	N/A	N/A	Government
0009	N/A	N/A	N/A	Government

## CLAUSES INCORPORATED BY REFERENCE

52.246-4

Inspection Of Services--Fixed Price

AUG 1996

## CLAUSES INCORPORATED BY FULL TEXT

**HQ E-1-0003 INSPECTION AND ACCEPTANCE LANGUAGE FOR F.O.B. DESTINATION DELIVERIES**

Item(s) \_\_\_\_ - Inspection and acceptance shall be made at destination by a representative of the Government.

**(End of Text)**

**HQ E-1-0007 INSPECTION AND ACCEPTANCE LANGUAGE FOR LOE SERVICES**

Item(s) \_ - Inspection and acceptance shall be made by the Contracting Officer's Representative (COR) or a designated representative of the Government.

(End of Text)

**HQ E-1-0001 INSPECTION AND ACCEPTANCE LANGUAGE FOR DATA**

Inspection and acceptance of all data shall be as specified on the attached Contract Data Requirements List(s), DD Form 1423.

**(End of Text)**

## Section F - Deliveries or Performance

## DELIVERY INFORMATION

CLIN	DELIVERY DATE	QUANTITY	SHIP TO ADDRESS	UIC
0001	POP 01-AUG-2015 TO 31-JUL-2016	N/A	NAVAL SURFACE WARFARE CENTER CODE 01 PORT HUENEME DIVISION 4363 MISSILE WAY PORT HUENEME CA 93043-4307 FOB: Destination	N63394
0002	POP 01-AUG-2015 TO 31-JUL-2016	N/A	(SAME AS PREVIOUS LOCATION) FOB: Destination	N63394
0003	POP 01-AUG-2015 TO 31-JUL-2016	N/A	(SAME AS PREVIOUS LOCATION) FOB: Destination	N63394
0004	POP 01-AUG-2016 TO 31-JUL-2017	N/A	(SAME AS PREVIOUS LOCATION) FOB: Destination	N63394
0005	POP 01-AUG-2016 TO 31-JUL-2017	N/A	(SAME AS PREVIOUS LOCATION) FOB: Destination	N63394
0006	POP 01-AUG-2016 TO 31-JUL-2017	N/A	(SAME AS PREVIOUS LOCATION) FOB: Destination	N63394
0007	POP 01-AUG-2017 TO 31-JUL-2018	N/A	(SAME AS PREVIOUS LOCATION) FOB: Destination	N63394
0008	POP 01-AUG-2017 TO 31-JUL-2018	N/A	(SAME AS PREVIOUS LOCATION) FOB: Destination	N63394
0009	POP 01-AUG-2017 TO 31-JUL-2018	N/A	(SAME AS PREVIOUS LOCATION) FOB: Destination	N63394

## CLAUSES INCORPORATED BY REFERENCE

52.211-11	Liquidated Damages--Supplies, Services, or Research and Development	SEP 2000
52.242-15	Stop-Work Order	AUG 1989

52.242-17 Government Delay Of Work  
 52.247-34 F.O.B. Destination

APR 1984  
 NOV 1991

## CLAUSES INCORPORATED BY FULL TEXT

### HQ F-1-0003 PERFORMANCE LANGUAGE FOR LOE SERVICES

The Contractor shall perform the work described in SECTION C, at the level of effort specified in SECTION B, as follows:

ITEM(S)	FROM	TO
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**(End of Text)**

## CLAUSES INCORPORATED BY FULL TEXT

All supplies hereunder shall be delivered with all transportation charges prepaid, in accordance with the clause hereof entitled "F.O.B. DESTINATION" (FAR 52.247-34) in accordance with the

\_\_\_\_\_ DELIVERY INFORMATION herein.  
 \_\_\_\_\_ Shipping Instruction Data, NAVSEA 4336/1, attached hereto.

*(Contracting Officer select one as applicable to the acquisition)*

The Contractor shall not ship directly to a military air or water port terminal without authorization by the cognizant Contract Administration Office.

Except when the Material Inspection and Receiving Report (MIRR) (DD 250) is used as an invoice, the Contractor shall enter unit prices on all MIRR copies. Contract line items shall be priced using actual prices, or if not available, estimated prices. When the price is estimated, an "E" shall be entered after the price.

All data to be furnished under this contract shall be delivered prepaid to destination(s) at the time(s) specified on the Contract Data Requirements List(s), DD Form 1423.

Section G - Contract Administration Data

MINIMUM GUARANTEE

The minimum guarantee of \$10,000 will be obligated in task order one.

CLAUSES INCORPORATED BY FULL TEXT

252.204-0002 LINE ITEM SPECIFIC: SEQUENTIAL ACRN ORDER. (SEP 2009)

The payment office shall make payment in sequential ACRN order within the line item, exhausting all funds in the previous ACRN before paying from the next ACRN using the following sequential order: Alpha/Alpha; Alpha/numeric; numeric/alpha; and numeric/numeric.

(End of clause)

CLAUSES INCORPORATED BY FULL TEXT

252.232-7006 WIDE AREA WORKFLOW PAYMENT INSTRUCTIONS (MAY 2013)

(a) Definitions. As used in this clause--

Department of Defense Activity Address Code (DoDAAC) is a six position code that uniquely identifies a unit, activity, or organization.

Document type means the type of payment request or receiving report available for creation in Wide Area WorkFlow (WAWF).

Local processing office (LPO) is the office responsible for payment certification when payment certification is done external to the entitlement system.

(b) Electronic invoicing. The WAWF system is the method to electronically process vendor payment requests and receiving reports, as authorized by DFARS 252.232-7003, Electronic Submission of Payment Requests and Receiving Reports.

(c) WAWF access. To access WAWF, the Contractor shall--

(1) Have a designated electronic business point of contact in the System for Award Management at <https://www.acquisition.gov>; and

(2) Be registered to use WAWF at <https://wawf.eb.mil/> following the step-by-step procedures for self-registration available at this Web site.

(d) WAWF training. The Contractor should follow the training instructions of the WAWF Web-Based Training Course and use the Practice Training Site before submitting payment requests through WAWF. Both can be accessed by selecting the “Web Based Training” link on the WAWF home page at <https://wawf.eb.mil/>.

(e) WAWF methods of document submission. Document submissions may be via Web entry, Electronic Data Interchange, or File Transfer Protocol.

(f) WAWF payment instructions. The Contractor must use the following information when submitting payment requests and receiving reports in WAWF for this contract/order:

(1) Document type. The Contractor shall use the following document type(s).

Invoice as 2-in-1

(Contracting Officer: Insert applicable document type(s). Note: If a “Combo” document type is identified but not supportable by the Contractor's business systems, an “Invoice” (stand-alone) and “Receiving Report” (stand-alone) document type may be used instead.)

(2) Inspection/acceptance location. The Contractor shall select the following inspection/acceptance location(s) in WAWF, as specified by the contracting officer.

\_\_\_ Government \_\_\_

(Contracting Officer: Insert inspection and acceptance locations or “Not applicable”).

(3) Document routing. The Contractor shall use the information in the Routing Data Table below only to fill in applicable fields in WAWF when creating payment requests and receiving reports in the system.

Routing Data Table\*

Field Name in WAWF	Data to be entered in WAWF
Pay Official DoDAAC	HQ0339
Issue By DoDAAC	N63394
Admin DoDAAC	S0512A
Inspect By DoDAAC	N/A
Ship To Code	N63394
Ship From Code	N/A
Mark For Code	N/A
Service Approver (DoDAAC)	N63394
Service Acceptor (DoDAAC)	N63394
Accept at Other DoDAAC	N/A
LPO DoDAAC	N/A
DCAA Auditor DoDAAC	HAA724
Other DoDAAC(s)	N/A

(\*Contracting Officer: Insert applicable DoDAAC information or “See schedule” if multiple ship to/acceptance locations apply, or “Not applicable.”)

(4) Payment request and supporting documentation. The Contractor shall ensure a payment request includes appropriate contract line item and subline item descriptions of the work performed or supplies delivered, unit price/cost per unit, fee (if applicable), and all relevant back-up documentation, as defined in DFARS Appendix F, (e.g. timesheets) in support of each payment request.

(5) WAWF email notifications. The Contractor shall enter the email address identified below in the “Send Additional Email Notifications” field of WAWF once a document is submitted in the system.

[tanya.anderson1@navy.mil](mailto:tanya.anderson1@navy.mil)

[Cedric.parks@navy.mil](mailto:Cedric.parks@navy.mil)

(Contracting Officer: Insert applicable email addresses or “Not applicable.”)

(g) WAWF point of contact. (1) The Contractor may obtain clarification regarding invoicing in WAWF from the following contracting activity's WAWF point of contact.

[anthony.a.salerno@navy.mil](mailto:anthony.a.salerno@navy.mil)

(Contracting Officer: Insert applicable information or “Not applicable.”)

(2) For technical WAWF help, contact the WAWF helpdesk at 866-618-5988.

(End of clause)

## **HQ G-2-0002 CONTRACT ADMINISTRATION DATA**

Enter below the address (street and number, city, county, state and zip code) of the Contractor's facility which will administer the contract if such address is different from the address shown on the SF 26 or SF 33, as applicable.

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**(End of Text)**

## **HQ G-2-0003 CONTRACTING OFFICER'S REPRESENTATIVE**

CONTRACTING OFFICER'S  
REPRESENTATIVE:

ATTN: TANYA ANDERSON  
PORT HUENEME DIVISION NAVAL SURFACE WARFARE  
CENTER  
4363 MISSILE WAY  
PORT HUENEME, CA 93043-4367

TEL: 805/228-6795  
FAX NO. TBD  
EMAIL: [Tanya.anderson1@navy.mil](mailto:Tanya.anderson1@navy.mil)

The Contractor shall forward a copy of all invoices to the Contracting Officer's Representative.

(End of Text)

HQ G-2-0004 PURCHASING OFFICE REPRESENTATIVE

PURCHASING OFFICE  
REPRESENTATIVE:

COMMANDER

ATTN: CEDRIC PARKS  
CONTRACT NEGOTIATOR PORT HUENEME DIVISION  
NAVAL SURFACE WARFARE CENT  
4363 MISSILE WAY  
PORT HUENEME, CA 93043-4367  
TEL: 805/228-0601  
FAX NO. 805/228-6299

(End of Text)

SUPPLEMENTAL INSTRUCTIONS REGARDING ELECTRONIC INVOICING (NAVSEA) (SEP 2012)

(a) The Contractor agrees to segregate costs incurred under this contract/task order (TO), as applicable, at the lowest level of performance, either at the technical instruction (TI), sub line item number (SLIN), or contract line item number (CLIN) level, rather than on a total contract/TO basis, and to submit invoices reflecting costs incurred at that level. Supporting documentation in Wide Area Workflow (WAWF) for invoices shall include summaries of work charged during the period covered as well as overall cumulative summaries by individual labor categories, rates, and hours (both straight time and overtime) invoiced; as well as, a cost breakdown of other direct costs (ODCs), materials, and travel, by TI, SLIN, or CLIN level. For other than firm fixed price subcontractors, subcontractors are also required to provide labor categories, rates, and hours (both straight time and overtime) invoiced; as well as, a cost breakdown of ODCs, materials, and travel invoiced. Supporting documentation may be encrypted before submission to the prime contractor for WAWF invoice submittal. Subcontractors may email encryption code information directly to the Contracting Officer (CO) and Contracting Officer Representative (COR). Should the subcontractor lack encryption capability, the subcontractor may also email detailed supporting cost information directly to the CO and COR; or other method as agreed to by the CO.

(b) Contractors submitting payment requests and receiving reports to WAWF using either Electronic Data Interchange (EDI) or Secure File Transfer Protocol (SFTP) shall separately send an email notification to the COR and CO on the same date they submit the invoice in WAWF. No payments shall be due if the contractor does not provide the COR and CO email notification as required herein.

## Section H - Special Contract Requirements

### SPECIAL REQUIREMENTS

#### **SPECIAL REQUIREMENTS FINANCIAL SUPPORT SERVICE**

### **1.0 SPECIAL CONSIDERATIONS**

#### **1.1 Safety and Environmental Protection**

##### **1.1.1 Safety**

1.1.1a Contractor personnel shall comply with all applicable DoD, DoN, OSHA, NAVSEA, NBVC, local installation and NSWC PHD safety instructions, policies, procedures and guidance while on Government property at NSWC PHD, remote sites or travel destinations. The contractor shall request clarification of safety procedures and guidance from a Government safety observer or manager, a responsible Government employee or the COR in any case where ambiguity or confusion may arise.

1.1.1b Contractor personnel shall immediately report all unsafe working conditions to a responsible Government employee.

1.1.1c Contractor shall immediately notify the COR of any serious contractor personnel injuries or deaths sustained in the performance of this requirement. Minor injuries not requiring immediate medical attention shall be reported to the COR by the following business day. Notification shall be made by any practical, reliable means available to the contractor. If the COR is not available, the contractor shall notify the Contracting Officer instead and inform the COR as soon as is possible. The contractor shall cooperate with all official investigations of injuries and deaths. However, nothing in this paragraph shall be so interpreted as to deprive any person of due process or other civil rights.

##### **1.1.2 Environmental Protection and Compliance**

1.1.2a The contractor shall comply with all applicable DoD, DoN, NAVSEA, NBVC and NSWC PHD instructions, policies, procedures and guidance pertaining to the disposal of government related documentation. All on-site recycling and shredding receptacles shall be used for purposes of document disposal.

#### **1.2 Contractor Facility**

1.2.1 A contractor facility will be required in the event contractors are not allowed in the government facilities due to an unexpected holiday or a security exercise that will limit base/facility access to only critical essential personnel. Therefore, the contractor shall have established within 30 calendar days of procurement award and maintain for the duration of the procurement, an office that will accommodate all of its contractor personnel, within a 50 mile radius of NSWC PHD, 4363 Missile Way, Port Hueneme, California 93043-4307.

#### **1.3 Hours of Operation and Location of Work**

1.3.1 The standard hours of operation for the Port Hueneme site and for other sites at which this requirement normally will be performed are shown in paragraphs (1.3.1a) below.

1.3.1a The standard hours of operation for NSWC PHD Port Hueneme site personnel are 0730-1700 Pacific Time, Monday-Friday. The standard hours of operation for remote site and travel destination work places are determined locally and may vary.

#### 1.4 Designation of Lead Contractor Personnel

1.4.1 The contractor will appoint a lead contractor personnel that will be responsible for disseminating information to all other contractors. Disseminating of information will occur via face to face production meetings, by phone or by e-mail.

#### 1.5 Contractors Working at Government Facilities

1.5.1 Contractors shall not be present in Government facilities unless Government personnel are physically present at all times to carry out security-related functions. Government-Owned Contractor-Operated (GOCO) facilities outside of NSWC PHD are exempt from this requirement if appropriate local Government authority permits.

1.5.2 Provision will be made by the Government to allow necessary building, site, and facility access for contractor personnel on weekends, after hours and Federal holidays when necessary to this requirement. Contractor personnel who must work weekends and Federal holidays but who do not require access to Government buildings, sites and facilities shall work at the contractor facility or such other non-Government facility as may be determined by the contractor as appropriate for the conduct of the work under this requirement.

1.5.3 Contractors requiring routine or repeated access to Naval Base Ventura County (NBVC) under this procurement may participate in the RAPIDGate program at their discretion as an alternative to securing daily base passes. Note that Common Access Cards (CACs) will not be issued to contractor personnel merely to allow convenient access to NBVC as an alternative to securing daily base passes or participating in the RAPIDGate program. The provisions of paragraph (3.22) below apply with respect to issuing CACs.

1.5.4 Hours of operation may be altered at no notice as necessitated by Force Protection posture or as a result of severe weather, disaster, fire, facility condition, security incident or other similar emergency or event.

#### 1.6 Extraordinary Leave Days and Excused Leave for Government Personnel

1.6.1 If an extraordinary day off, wherein Federal employees are excused from work with pay on what would be a normal work day without charge to leave, is granted to Federal employees by the direction of the President or an agency head, such as has occurred periodically on what would have been normal work days adjacent to major Federal holidays or on the occasion of Presidential funerals or national days of mourning, the contractor shall continue to provide contracted services in accordance with the requirement until and unless necessary access to Government buildings, ships, sites and other facilities is precluded due to absence of Government personnel.

1.6.2 If the contractor personnel are unable to conduct their work at an assigned Government work place due to an extraordinary day off or excused leave for Government employees, the contractor or any subcontractors may, at their discretion, continue work at another appropriate facility if possible or else grant paid or unpaid leave to its affected employees in accordance their company policies or any collective bargaining agreement (CBA) that may apply. Whether contract payments will be made for time not worked will depend upon the terms and conditions of this contract, including the pricing mechanisms contained within the contract.

1.6.3 If the use of alternative facilities will raise the costs of performing the requirement beyond the prices contracted with the Government under this requirement, the contractor shall first notify the contracting officer and request authorization to proceed. The contractor is not authorized to purchase or rent alternative facilities to accommodate extraordinary leave without such advance authorization from the contracting officer.

1.6.4 If administrative leave is granted to Government personnel at or near the end of normal work days adjacent to Federal holidays, weekends, other special days, or as part of special events or observances, the provisions of paragraphs (1.6.1) through (1.6.3) above shall apply to contractors. Administrative leave is normally granted to Government personnel in the form of 59 minutes of excused absence from the work place per instance.

1.6.5 Estimated Extraordinary Leave and Excused Leave. For information purposes only, the granting of one extraordinary leave day per year is typical, normally adjacent to the Christmas Holiday, and instances of granting 59 minutes of administrative leave to Government personnel typically occurs two to three times per year.

1.6.6 Location of Work. The Government shall provide the contractor workspace for performance of the task at NSWC PHD, 4363 Missile Way, Port Hueneme, California, in Building 445 and such other locations within the NSWC PHD perimeter as required by the location of the work. In the event that work must be performed after hours and/or on weekends a government employee will be present to give access to government workspaces and oversee contractor.

## 1.7 Emergency Operations

1.7.1 In the event normal access to any part of the NSWC PHD command or any Government-owned remote site or travel destination is closed as a result of fire, flood, severe weather, power failure, loss of other utilities, force protection posture, terrorist activity, military action, natural or man-made disaster, civil unrest, or other emergency resulting in Government personnel being dismissed or dispersed to other facilities, affected contractor personnel shall be relocated or otherwise directed away from the emergency or disrupted area by the contractor. The contractor shall communicate with the COR as soon as is safely possible to determine whether and when Government facilities may be once again available for use by appropriate contractor personnel. If the COR cannot be reached, the contractor shall contact the Contracting Officer. If Government facilities cannot be made available for contractor use by the start of the following business day, contractor personnel shall be relocated as directed by the contractor who shall confer with the Contracting Officer at the earliest possible opportunity to make alternative facility arrangements for the continuation of contracted work.

1.7.2 When contractor personnel cannot access Government facilities for reasons described in paragraph (1.4.1) above, contractor personnel shall continue performing the requirement of this PWS at the contractor facility or one or more alternative locations unless such performance is impossible due to safety, security, technical and cost considerations.

1.7.2a If the use of alternative facilities will raise the costs of performing the requirement beyond the prices already contracted with the Government, the contractor shall first notify the contracting officer and request authorization to proceed. The contractor is not authorized to purchase or rent alternative facilities for emergency operations without such advance authorization from the contracting officer.

1.7.2b If the use of alternative facilities is not possible for safety, security, technical and cost reasons, the contractor or subcontractors may at their discretion grant paid or unpaid leave to its affected employees in accordance with their company policies and any collective bargaining agreement (CBA) that may apply. Whether contract payments will be made for time not worked will depend upon the terms and conditions of this contract, including the pricing mechanisms contained within the contract.

1.7.3 Emergent Travel. Emergent travel shall be coordinated with the COR prior to travel. The contractor shall inform the COR via electronic mail of the purpose of travel, Government POC, number of persons traveling, destination, estimated duration and cost in terms of both hours and dollars.

## 1.8 Government Furnished Property and Government Furnished Information

1.8.1 Contractor personnel working in Government buildings and occupying Government spaces will be granted use of Government Furnished Property (GFP) to the extent necessary to perform the requirements of this procurement as defined in paragraphs (1.72) through (1.75) below. Access to Government Furnished Information (GFI) is governed by the provisions of paragraph (3.00) below and of the *Department of Defense Contract Security Classification Specification*, DD Form 254, attached to this requirement.

1.8.2 Office Space and Furnishing. Contractor personnel occupying Government spaces will be allowed rent-free office space comparable to that provided nearby Government personnel performing broadly similar functions. The contractor will have necessary use of office furnishings with desks or cubicles, chairs, and file cabinets. Navy-Marine Corps Intranet (NMCI) computers and landline telephones will be made available for official use only by contractor personnel at the Government site. Contractor personnel shall be responsible for complying with security regulations regarding telephone, e-mail and Internet use. The contractor shall have access to all Government Furnished Equipment (GFE) necessary to perform the requirement.

1.8.3 No GFP shall become the property of the contractor. All GFP, except authorized consumable materials, shall be returned to the custody of the Government at the expiration of this procurement.

#### 1.8.4 Damage to and Loss of GFE

1.8.4a Damage to GFE. Damage to Government furnished equipment (GFE) resulting from intentional or negligent misuse by contractor personnel is the responsibility of the contractor for repair or replacement at the discretion of the Government. Liability for damaged GFE will be limited to the replacement costs, including shipping and handling. Damage to GFE during use by contractor personnel that results from normal usage, pre-existing condition or anomalies is the responsibility of the Government.

1.8.4b Loss of GFE. Loss of GFE where theft is neither known nor suspected is the responsibility of the contractor for replacement at the discretion of the Government. Liability for damaged GFE will be limited to the replacement costs, including shipping and handling.

#### 1.8.4c Theft of GFE.

1.8.4c(1) Loss of GFE through known and suspected theft shall be reported to local law enforcement at the time the loss is discovered and a copy of the subsequent report shall be provided to the COR not more than two business days after the report is available to the contractor.

1.8.4c (2) Where loss of the GFE through known and suspected theft has resulted from the negligence of the contractor, such as being due to improper storage, transportation and security procedures, the loss is the responsibility of the contractor for replacement at the discretion of the Government.

1.8.4c (3) Where loss of the GFE through known and suspected theft has not resulted from the negligence of the contractor, the loss is the responsibility of the Government. (FAR Part 46.8)

1.8.4d All GFI shall be returned to the custody of the Government at the expiration of this procurement unless otherwise directed by the Department of Defense Contract Security Classification Specification, DD Form 254, attached to this procurement. No unauthorized copies of GFI shall be made by the contractor.

#### 1.9 Transition

1.9.1 The contractor shall follow the transition plan submitted as part of the proposal and keep the Government fully informed of status throughout the transition period. Throughout the phase-in/phase-out periods, it is essential that

attention be given to minimize interruptions or delays to work in progress that would impact the mission. The contractor must plan for the transfer of work control, delineating the method for processing and assigning tasks during the phase-in/phase-out periods.

## **2.0 GUIDANCE**

2.1 Mandatory Guidance. Following guidance is mandatory for work carried out under this procurement. Guidance in this paragraph is in addition to, not in lieu of, other mandatory guidance in this requirement. If revisions to these guidance documents are published during the period of performance of this requirement, including option periods, if exercised, the revised versions shall become mandatory guidance in lieu of the versions here cited:

2.1.1 Department of Defense Financial Management Regulations. (DFMR).

2.1.2 Joint Federal Travel Regulations (JFTR)/Joint Travel Regulations (JTR), latest revision.

2.1.3 Desk Guide Procedures

## **3.0 SECURITY**

### **3.1. Security Requirements Specification**

3.1.1 This procurement does not require access to communications security (COMSEC) equipment.

3.1.2 This procurement does not require access to intelligence information (INTEL).

3.1.3 This procurement does not require access to Sensitive Compartmented Information (SCI).

3.1.4 This procurement does not require access to North Atlantic Treaty Organization (NATO) information.

3.1.5 This procurement does not require access to the Secure Internet Protocol Router Network (SIPRNET).

3.1.6 This procurement does not require access to Operations Security (OPSEC) Sensitive information.

3.1.7 This procurement does not require access to Foreign Government Information (FGI).

3.1.8 Security Clearances. No classified deliverables are required on this contract.

3.1.9 Contractor personnel shall obtain and maintain a security clearance level of SECRET. All Comptroller personnel are required to obtain and maintain a secret clearance level due to the nature of the tasking and accessibility to financial information in Comptroller workspaces. Clearances shall be maintained for the duration of this procurement.

### **3.2 General Security Procedures**

3.2.1 Contractor personnel shall comply with all DoD, DoN, NAVSEA, Naval Base Ventura County (NBVC), NSWC, local Navy installation and NSWC PHD security instructions, policies, procedures and guidance as they apply to the contractor both on and off Government property at NSWC PHD, remote sites or travel destinations, to include following established check-in and check-out procedures of all contractor personnel occupying Government facilities or otherwise requiring physical access to Naval Base Ventura County and NSWC PHD. The provisions of paragraph (3.24) below apply to check-out procedures.

### 3.3 Common Access Cards (CACs)

3.3.1 CAC issuance is at the discretion of the Government. The Government reserves the right to change the criteria for CAC issuance at any time without notification to the contractor. The contractor is responsible for ensuring the return of all CACs issued their employees to Naval Base Ventura County Security upon contractor employee separation, the expiration of this procurement and the termination of this procurement as required in paragraph (3.23) below.

3.3.2 CACs will normally be issued only to individual contractor personnel who are assigned to this requirement and who meet at least one of the three following criteria:

3.3.2a The individual requires access to multiple DoD facilities or access to multiple non-DoD Federal facilities on behalf of the Department on a recurring basis for a period of 6 months or more. Note that CACs will not be issued to contractor personnel merely to allow convenient access to NBVC as an alternative to securing daily base passes or participating in the RAPIDGate program. See paragraph (1.42) above.

3.3.2b The individual requires both physical access to a DoD facility and access, via logon, to a DoD network. Access to a DoD network must require the use of a computer with a Government-controlled configuration located in a DoD facility or use of a DoD approved remote access procedure.

3.3.2c The individual requires remote access to DoD networks that use only the CAC logon for user authentication.

3.3.3 The contractor is responsible for ensuring its personnel meet all Government requirements for CAC issuance, including possession of an appropriate final security clearance.

3.4 Government Facilities. The provisions of paragraph (1.5) above apply to contractor personnel working at Government facilities.

### 3.5 Rescission of Access to Government Facilities

3.5.1 Access to Government facilities is at the discretion of the Government. The Government reserves the right to rescind access by contractor personnel to Government facilities at any and all times and without presenting reason.

3.5.2 In each instance when contractor employees depart Naval Base Ventura County at the end of their employment with the company or firm, at the end of the PoP of this procurement, upon their transfer to another procurement, and upon being denied access to Government facilities for whatever reason, the contractor shall ensure the prompt return to the Government of all of the following materials in the possession of that employee:

3.5.2a Government-owned keys to desks, offices, etc.

3.5.2b Common Access Cards (CACs), except for CACs issued to retired military personnel and retired civil servants on that basis

3.5.2c Base Passes, except for passes issued to retired military personnel and retired civil servants on that basis

3.5.2d Base stickers for the employee's vehicles, except for stickers issued to retired military personnel and retired civil servants on that basis

3.5.2e GFE and GFI, with special attention to IT equipment, CI, and CPI

### 3.5.2f Courier pass, if issued to the departing employee

3.5.3 In executing the provisions of paragraph (3.5.2) above, the contractor may collect the materials listed in that paragraph and return them to the custody of an appropriate Government employee or direct the contractor employee to surrender these items at the Naval Base Ventura County Security Office, whichever is appropriate to the circumstances. In all cases the contractor shall follow current Naval Base Ventura County and NSWC PHD Security instructions appropriate to the circumstances.

3.4 Emergency Operations. The provisions of paragraph (1.4) above apply to emergency operations under conditions of heightened security and Anti-Terrorism Force Protection posture.

## 3.5 Information Protection

3.5.1 Contractor personnel granted access to the NMCI network will be required to complete Navy Information Assurance (IA) or comparable training, at the Government's discretion, and complete and sign appropriate IA forms required to be granted continued access to Government information technology networks.

3.5.2 Contractor personnel occupying NSWC PHD facilities, and contractor personnel who routinely visit NSWC PHD facilities, may, at the Government's discretion, be required as a condition of access to said facilities to sign a Certificate of Non-Disclosure (CND), also referred to as a Non-Disclosure Agreement (NDA), to protect classified and unclassified Government financial and other business sensitive information they may become aware of through proximity to Government personnel, information and spaces. Contractor personnel may, at the Government's discretion, be required to sign a CND (or NDA) to protect financial and other proprietary information pertaining to other contractors if the completion of the tasking in this PWS necessitates access to such information. If required, the COR shall issue CNDs/NDAs to the contractor, who will return signed CNDs/NDAs to the COR within three business days. The provisions of Section H of this procurement pertaining to Non-Disclosure Statements, CNDs and NDAs apply.

## 3.6 Operations Security

3.6.1 Background. Operations Security (OPSEC) is a process for protecting unclassified sensitive information from exploitation by an adversary. Sensitive unclassified information – which is also referred to as Critical Information (CI) or Critical Program Information (CPI) – is defined as information that is not classified but which needs to be protected from unauthorized disclosure. Examples are information labeled “For Official Use Only (FOUO),” proprietary information, contractor sensitive information, limited distribution information, and Personally Identifiable Information (PII).

3.6.2 The contractor and all subcontractors shall provide OPSEC protection for sensitive unclassified information as identified in the Critical Information (CI) List [see paragraph (3.45)], and the attached Critical Program Information (CPI) List if applicable. Additional countermeasures may be employed as necessary. The contractor and all subcontractors shall employ the countermeasures listed in paragraph (3.47) below in order to protect that information. If an OPSEC Plan is provided, the contractor and all subcontractors shall comply with that plan. These OPSEC requirements will be in effect throughout the life of the procurement from award through the conclusion of services at the end of the Period of Performance (PoP) or other procurement termination. If required, the contractor and all subcontractors shall prepare their own OPSEC Plan in accordance with the DD Form 1423-1, Contract Data Requirements List (CDRL).

3.6.3 All prime contractors and subcontractors shall comply with PHDNSWCINST 3432.1A Operations Security. (PHDNSWCINST 3432.1A is available on the NSWC PHD Portal. Contractors without Portal access may request a copy of this document from the Contracting Officer.) All prime contractor and subcontractor personnel assigned to

this requirement shall complete the mandatory annual OPSEC training provided by the Government no later than 30 September of each year. Prime contractors and their subcontractors will report to PHD NSWC by 15 October each year the number of their employees assigned to this procurement who were trained, the number remaining to be trained, and the completion percentage. Failure to comply with the requirement for mandatory annual OPSEC training may result in termination of the procurement and may be reported as non-compliant with NAVSEA OPSEC requirements. The prime contractor and all subcontractors shall comply with the Navy's Information Assurance and Personnel Security Requirements for Accessing Government Information Technology (IT) Systems.

3.6.4 Contractor personnel shall follow Operations Security (OPSEC) concepts and principles in the conduct of this requirement to protect Critical Information [see paragraph (3.45) below], personnel, facilities, equipment and operations from compromise. The contractor shall consult with the COR within 5 working days of receipt of order to determine all special circumstances affecting OPSEC under this requirement. In any case where there is uncertainty or ambiguity regarding OPSEC measures, the contractor shall consult the COR as soon as possible. If the COR is unavailable, the contractor shall consult the contracting officer instead. The prime contractor and all subcontractors shall provide OPSEC protection for sensitive unclassified information and comply with all OPSEC guidance in accordance with the references in paragraphs (3.44a) through (3.44d) below:

3.6.4a PHDNSWCINST 3432.1A Operations Security

3.6.4b PHD NSWC DD 254 OPSEC Supplement

3.6.4c Program OPSEC Plan (if applicable)

3.6.4d All OPSEC requirements as identified in the this Performance Work Statement (PWS).

3.6.5 Critical Information. Critical information is specific facts about the intentions, capabilities, operations, or activities of NSWC PHD and its supporting contractors needed by adversaries or competitors to plan and act, so as to guarantee failure or unacceptable consequences for mission accomplishment. The items in paragraphs (3.6.5a) through (3.6.5r) below are deemed to be general Critical Information (CI) for the purposes of this requirement.

3.6.5a Force Protection countermeasures

3.6.5b Information Technology (IT) network vulnerabilities and defenses

3.6.5c Employee personal information, including Social Security Number (SSN), home address, home telephone number, family information, financial data, and similar sensitive information which might contribute to identity theft and the breach of DoD security systems.

3.6.5d Engineering processes

3.6.5e Budgetary and financial information

3.6.5f Overseas travel

3.6.5g Content of DoD and contractor portals

3.6.5h Passwords and combinations

3.6.5i Counterintelligence measures

3.6.5j Combat systems capabilities

3.6.5k Combat systems vulnerabilities and limitations

3.6.5l Test and evaluation (T&E) schedules

3.6.5m Self Defense Test Ship (SDTS) configuration, schedules and movements

3.6.5n Ships' schedules and movements, including port visits

3.6.5o Ships' readiness and material condition, including casualty report (CASREP) status; Combat Systems Ship Qualification Trial (CSSQT) events, scenarios and schedules; and other information that could be used to determine a ship's combat readiness and deduce movements.

3.6.5p New combat systems technologies and demonstrations

3.6.5q Technical documentation

3.6.5r DoD, Navy, NAVSEA, NSWC and NSWC PHD website pages and contents, except public-facing contents

3.6.5s Location, deployment, movements, capabilities, vulnerabilities and readiness condition of US, allied and friendly forces worldwide

3.6.6 Minimum Protection Requirements for Critical Information. Critical information is exempt from public release under Exemption 2 [high (b) (2)] of the Freedom of Information Act (FOIA). It is designated "For Official Use Only (FOUO)" and is considered controlled unclassified information. The following Information Security requirements apply:

3.6.6a Controlled Unclassified Information (CUI): Controlled unclassified information (CUI) is official information that requires the application of controls and protective measures for a variety of reasons and has not been approved for public release, to include technical information, proprietary data, information requiring protection under the Privacy Act of 1974, and Government-developed privileged information involving the award of contracts. CUI is a categorical designation that refers to unclassified information that does not meet the standards for National Security Classification under Executive Order 12958, as amended, but is (a) pertinent to the national interest of the United States or to the important interests of entities outside the Federal Government, and (b) under law or policy requires protection from unauthorized disclosure, special handling safeguards, or prescribed limits on exchange or dissemination.

3.6.6b Minimum Requirements for Access to Controlled Unclassified Information (CUI): Prior to access, contractor personnel requiring access to DoN controlled unclassified information (CUI) or "user level access to DoN or DoD networks and information systems, system security and network defense systems, or to system resources providing visual access and/or ability to input, delete or otherwise manipulate sensitive information without controls to identify and deny sensitive information" who do not have clearance eligibility are required to submit a Questionnaire for Public Trust Positions (Standard Form 85P) through the cognizant Facility Security Officer or contractor entity representative for a suitability determination by DoN Central Adjudication Facility.

3.6.6c Minimum Protection Requirements for Controlled Unclassified Information (CUI): Contract deliverables taking the form of unclassified limited-distribution documents [e.g., "For Official Use Only (FOUO)," Distribution Statement Controlled] are not authorized for public release and therefore shall not be posted on a publicly accessible web server or electronically transmitted via electronic mail unless appropriately encrypted.

3.6.7 Countermeasures. Countermeasures to Critical Information exploitation are required to negate the susceptibility of critical information to exploitation by an adversary or competitor. The contractor shall protect all CI listed in paragraph (3.6.5) above in a manner appropriate to the nature of the information, including use of the countermeasures listed in paragraphs (3.6.7a) through (3.6.7k) below, as applicable to each specific item of CI:

3.6.7a Encryption of electronically-stored CI.

3.6.7b Encryption of e-mail containing CI.

3.6.7c Storage of hard copy CI, optical media and external hard drives in locked containers when not in use.

3.6.7d Transmission of CI to the minimum set of recipients with a need to know.

3.6.7e Proper marking of CI with warnings to include at a minimum "FOR OFFICIAL USE ONLY"; as appropriate to the nature of the CI it shall also be marked with "UNCLASSIFIED BUT SENSITIVE," "PRIVACY ACT INFORMATION," "PERSONALLY IDENTIFYING INFORMATION," "PROTECT FROM UNAUTHORIZED DISCLOSURE" or other similar statements cautioning protection of the CI.

3.6.7f Restricting disclosure of CI at meetings and conferences (including teleconferences) to the minimum necessary to the performance of this requirement.

3.6.7g Immediate and appropriate destruction in a manner precluding reconstruction of all CI no longer needed under this requirement.

3.6.7h Restricting verbal discussion of CI to venues and circumstances that prevent the monitoring and interception of the discussion by unauthorized personnel.

3.6.7i Maintaining current, successful completion of Navy-mandated Information Assurance (IA) and OPSEC training by all personnel handling CI.

3.6.7j Refraining from the use of unencrypted cellular telephones to transmit CI.

3.6.7k Refraining from the use of foreign postal systems to ship CI.

3.6.7l Promptly retrieving documents containing CI printed on printers accessible by persons without a need to know the CI.

3.6.7m Use of cover pages or other appropriate means to prevent the viewing of CI by unauthorized persons.

3.6.7n Limiting the inclusion of CI in contract and budget documents, presentations, press releases and other publications to that which is essential to the performance of this requirement.

3.6.7o Use of protected databases and strong passwords and the protection of user identifications (UserIDs).

3.6.7p During test and evaluation events (as applicable to this requirement) practice OPSEC methodologies with respect to staging units, personnel and materials out of the observation of unauthorized persons; desensitization; and the speed of execution of the event.

3.6.8 Specific Critical Program Information. Paragraph (3.6.5) contains the generic categories of Critical Information to be protected under this requirement. For reasons of Operations Security, Critical Program

Information (CPI) will not be identified to offerors prior to award. CPI will be identified to the successful offeror only after receipt of order.

3.6.9 Compromise. The contractor shall notify the COR within one business day of all known and suspected compromises of CI. If the COR cannot be reached, the contractor shall notify the contracting officer instead. Notification can be made by any means consistent with the protection of the subject CI.

### 3.7 “For Official Use Only (FOUO)” Information

3.7.1 The “For Official Use Only (FOUO)” marking is assigned to information at the time of its creation. It is not authorized as a substitute for a security classification marking but is used on official Government information that may be withheld from the public under exemptions 2 through 9 of the Freedom of Information Act (FOIA).

3.7.2 Use of FOUO markings does not mean that the information can’t be released to the public, only that it must be reviewed by the Government prior to its release to determine whether a significant and legitimate government purpose is served by withholding the information or portions of it. Review of FOUO information provided by, and created under contract to, NSWC PHD must be reviewed by NSWC PHD.

3.7.3 All UNCLASSIFIED documents created under this procurement that contain FOUO information will be marked “FOR OFFICIAL USE ONLY” on the bottom of the cover page and interior pages.

3.7.4 Classified documents containing FOUO do not require any markings on the cover of the document. However, the interior pages containing only FOUO information shall be marked at the top and bottom center with “FOR OFFICIAL USE ONLY.” Only unclassified portions containing FOUO shall be marked with “(FOUO)” immediately before each unclassified FOUO portion.

3.7.5 All FOUO information released to the contractor by NSWC PHD will be marked with the following statement prior to transfer:

THIS DOCUMENT CONTAINS INFORMATION EXEMPT FROM MANDATORY  
DISCLOSURE UNDER THE FOIA. EXEMPTIONS(S) \_\_\_\_\_ APPLY.

Removal of the FOUO marking may be accomplished only by the originator or other competent authority. The contractor SHALL NOT REMOVE ANY FOUO MARKING WITHOUT WRITTEN AUTHORIZATION FROM NSWC PHD OR THE AUTHOR. The Government will notify the contractor when the FOUO status is terminated.

3.7.6 The contractor is authorized to disseminate FOUO information to its employees and team mates having a need to know the information in order to accomplish the requirements of this procurement.

3.7.7 During working hours, reasonable steps shall be taken to minimize the risk of access to FOUO information by unauthorized personnel. FOUO information shall be placed in an out-of-sight location if the work area is accessible to persons who do not have a need to know the information in order to perform the requirements of this procurement. During nonworking hours, the FOUO information shall be stored in a locked desk, file cabinet, bookcase, rooms, or other lockable container or space affording reasonable protection from unauthorized disclosure.

3.7.8 FOUO information may be transmitted via US postal service first-class mail, parcel post and fourth-class mail for bulk shipments only. The contractor shall not permit FOUO information to enter foreign postal systems and parcel delivery systems.

3.7.9 When no longer needed, FOUO information shall either be returned to appropriate Government custody or destroyed in a manner precluding reconstruction of the information and then and placing it in the regular refuse or recycle container or in an uncontrolled burn container.

3.7.10 Electronic transmission of FOUO information (via voice, data, or facsimile transmission) shall be by approved secure communications systems. If circumstances preclude the use of such a system, the contractor shall consult the COR; if the COR is not available and time requirements do not permit delay, the contractor shall consult the contracting officer.

3.7.11 Unauthorized disclosure of FOUO information does not constitute a security violation but the contractor shall inform the COR within one business day of all known and suspected compromises of FOUO information. If the COR cannot be reached, the contractor shall notify the contracting officer instead. Notification can be made by any means consistent with the protection of the subject FOUO information. The unauthorized disclosure of a FOUO information protected by the Privacy Act may result in criminal sanctions.

### 3.8 Training Requirements

3.8.1 The contractor shall comply with all of the security requirements outlined and referenced in the Department of Defense Contract Security Classification Specification, DD Form 254 and its attachments.

3.8.2 The contractor shall require all prime contractor and subcontractor personnel performing this requirement to successfully complete the following training at the frequency listed in paragraph (3.62a) below and maintain currency of training for the duration of the Period of Performance:

#### 3.8.2a Basic Training Specified of All Requirements

TRAINING	FREQUENCY
OPSEC	Once per fiscal year
Information Awareness	Once per calendar year
Federal Counter Intelligence	Once per fiscal year

3.8.2b The training requirements specified in paragraph (3.8.2a) above shall apply once to each contractor employee per course per period ("FREQUENCY") regardless of the number of NSWC PHD procurements to which the individual contractor employee is assigned. Completion of each training requirement for one NSWC PHD procurement shall meet the training requirements for all NSWC PHD procurements within the period specified ("FREQUENCY").

3.8.3 The contractor shall maintain a list of personnel who have completed the training specified in paragraph (3.8.2) above. This list shall be submitted with a letter certifying that the list is current, complete, and accurate as of the date of submission. The list and certification shall be submitted to the COR with a copy to the Contracting Officer, within 5 days after receipt of order and quarterly thereafter. When there are any changes to contractor's personnel and when it is specifically requested by the COR or Contracting Officer, the list and certification shall be provided within 5 days from the date of the request. Contractor personnel working on two or more NSWC PHD procurements need complete this training only once per stated period and it shall be applicable to all current NSWC PHD procurements. See paragraph (3.8.2b) above. However, completion of such training shall be certified individually for each NSWC PHD procurement with this training requirement.

## CLAUSES INCORPORATED BY FULL TEXT

**5252.237-9106 SUBSTITUTION OF PERSONNEL (SEP 1990)**

(a) The Contractor agrees that a partial basis for award of this contract is the list of key personnel proposed. Accordingly, the Contractor agrees to assign to this contract those key persons whose resumes were submitted with the proposal necessary to fulfill the requirements of the contract. No substitution shall be made without prior notification to and concurrence of the Contracting Officer in accordance with this requirement.

(b) All proposed substitutes shall have qualifications equal to or higher than the qualifications of the person to be replaced. The Contracting Officer shall be notified in writing of any proposed substitution at least forty-five (45) days, or ninety (90) days if a security clearance is to be obtained, in advance of the proposed substitution. Such notification shall include: (1) an explanation of the circumstances necessitating the substitution; (2) a complete resume of the proposed substitute; and (3) any other information requested by the Contracting Officer to enable him/her to judge whether or not the Contractor is maintaining the same high quality of personnel that provided the partial basis for award.

**(End of Text)**

**5252.245-9108 GOVERNMENT-FURNISHED PROPERTY (PERFORMANCE)  
(SEP 1990)**

The Government will provide only that property set forth below, notwithstanding any term or condition of this contract to the contrary. Upon Contractor's written request to the cognizant Technical Program Manager, via the cognizant Contract Administration Office, the Government will furnish the following for use in the performance of this contract:

(fill in)

(End of Text)

## Section I - Contract Clauses

## CLAUSES INCORPORATED BY REFERENCE

52.202-1	Definitions	NOV 2013
52.203-3	Gratuities	APR 1984
52.203-5	Covenant Against Contingent Fees	MAY 2014
52.203-6	Restrictions On Subcontractor Sales To The Government	SEP 2006
52.203-7	Anti-Kickback Procedures	MAY 2014
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	MAY 2014
52.203-10	Price Or Fee Adjustment For Illegal Or Improper Activity	MAY 2014
52.203-12	Limitation On Payments To Influence Certain Federal Transactions	OCT 2010
52.204-2	Security Requirements	AUG 1996
52.204-4	Printed or Copied Double-Sided on Postconsumer Fiber Content Paper	MAY 2011
52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards	JUL 2013
52.204-13	System for Award Management Maintenance	JUL 2013
52.209-6	Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment	AUG 2013
52.209-9	Updates of Publicly Available Information Regarding Responsibility Matters	JUL 2013
52.209-10	Prohibition on Contracting With Inverted Domestic Corporations	DEC 2014
52.215-2	Audit and Records--Negotiation	OCT 2010
52.215-8	Order of Precedence--Uniform Contract Format	OCT 1997
52.215-11	Price Reduction for Defective Certified Cost or Pricing Data-- Modifications	AUG 2011
52.215-13	Subcontractor Certified Cost or Pricing Data--Modifications	OCT 2010
52.215-21	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data -- Modifications	OCT 2010
52.215-23	Limitations on Pass-Through Charges	OCT 2009
52.219-8	Utilization of Small Business Concerns	OCT 2014
52.219-14	Limitations On Subcontracting	NOV 2011
52.222-3	Convict Labor	JUN 2003
52.222-21	Prohibition Of Segregated Facilities	FEB 1999
52.222-26	Equal Opportunity	MAR 2007
52.222-35	Equal Opportunity for Veterans	JUL 2014
52.222-36	Equal Opportunity for Workers with Disabilities	JUL 2014
52.222-37	Employment Reports on Veterans	JUL 2014
52.222-41	Service Contract Labor Standards	MAY 2014
52.222-43	Fair Labor Standards Act And Service Contract Labor Standards - Price Adjustment (Multiple Year And Option Contracts)	MAY 2014
52.222-50	Combating Trafficking in Persons	MAR 2015

52.222-51	Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment--Requirements	MAY 2014
52.222-53	Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services--Requirements	MAY 2014
52.223-16 Alt I	Acquisition of EPEAT - Registered Personal Computer Products - Alternate I	JUN 2014
52.223-18	Encouraging Contractor Policies To Ban Text Messaging While Driving	AUG 2011
52.225-13	Restrictions on Certain Foreign Purchases	JUN 2008
52.227-1	Authorization and Consent	DEC 2007
52.227-2	Notice And Assistance Regarding Patent And Copyright Infringement	DEC 2007
52.229-3	Federal, State And Local Taxes	FEB 2013
52.232-1	Payments	APR 1984
52.232-8	Discounts For Prompt Payment	FEB 2002
52.232-9	Limitation On Withholding Of Payments	APR 1984
52.232-11	Extras	APR 1984
52.232-23 Alt I	Assignment of Claims (May 2014) - Alternate I	APR 1984
52.232-25	Prompt Payment	JUL 2013
52.233-1	Disputes	MAY 2014
52.233-3	Protest After Award	AUG 1996
52.237-3	Continuity Of Services	JAN 1991
52.242-13	Bankruptcy	JUL 1995
52.243-1 Alt I	Changes--Fixed Price (Aug 1987) - Alternate I	APR 1984
52.244-5	Competition In Subcontracting	DEC 1996
52.244-6	Subcontracts for Commercial Items	MAR 2015
52.246-25	Limitation Of Liability--Services	FEB 1997
52.249-1	Termination For Convenience Of The Government (Fixed Price) (Short Form)	APR 1984
52.249-2	Termination For Convenience Of The Government (Fixed-Price)	APR 2012
52.249-8	Default (Fixed-Price Supply & Service)	APR 1984
52.253-1	Computer Generated Forms	JAN 1991
252.203-7000	Requirements Relating to Compensation of Former DoD Officials	SEP 2011
252.203-7001	Prohibition On Persons Convicted of Fraud or Other Defense-Contract-Related Felonies	DEC 2008
252.203-7002	Requirement to Inform Employees of Whistleblower Rights	SEP 2013
252.204-7000	Disclosure Of Information	AUG 2013
252.204-7003	Control Of Government Personnel Work Product	APR 1992
252.209-7004	Subcontracting With Firms That Are Owned or Controlled By The Government of a Country that is a State Sponsor of Terrorism	DEC 2014
252.215-7000	Pricing Adjustments	DEC 2012
252.225-7001	Buy American And Balance Of Payments Program-- Basic (Nov 2014)	NOV 2014
252.225-7002	Qualifying Country Sources As Subcontractors	DEC 2012
252.232-7003	Electronic Submission of Payment Requests and Receiving Reports	JUN 2012
252.233-7001	Choice of Law (Overseas)	JUN 1997

252.237-7010	Prohibition on Interrogation of Detainees by Contractor Personnel	JUN 2013
252.239-7001	Information Assurance Contractor Training and Certification	JAN 2008
252.243-7001	Pricing Of Contract Modifications	DEC 1991
252.243-7002	Requests for Equitable Adjustment	DEC 2012
252.244-7000	Subcontracts for Commercial Items	JUN 2013

#### CLAUSES INCORPORATED BY FULL TEXT

##### 52.203-16 Preventing Personal Conflicts of Interest (DEC 2011)

###### (a) Definitions. As used in this clause--

Acquisition function closely associated with inherently governmental functions means supporting or providing advice or recommendations with regard to the following activities of a Federal agency:

- (1) Planning acquisitions.
- (2) Determining what supplies or services are to be acquired by the Government, including developing statements of work.
- (3) Developing or approving any contractual documents, to include documents defining requirements, incentive plans, and evaluation criteria.
- (4) Evaluating contract proposals.
- (5) Awarding Government contracts.
- (6) Administering contracts (including ordering changes or giving technical direction in contract performance or contract quantities, evaluating contractor performance, and accepting or rejecting contractor products or services).
- (7) Terminating contracts.
- (8) Determining whether contract costs are reasonable, allocable, and allowable.

Covered employee means an individual who performs an acquisition function closely associated with inherently governmental functions and is--

- (1) An employee of the contractor; or
- (2) A subcontractor that is a self-employed individual treated as a covered employee of the contractor because there is no employer to whom such an individual could submit the required disclosures.

Non-public information means any Government or third-party information that--

- (1) Is exempt from disclosure under the Freedom of Information Act (5 U.S.C. 552) or otherwise protected from disclosure by statute, Executive order, or regulation; or

(2) Has not been disseminated to the general public and the Government has not yet determined whether the information can or will be made available to the public.

Personal conflict of interest means a situation in which a covered employee has a financial interest, personal activity, or relationship that could impair the employee's ability to act impartially and in the best interest of the Government when performing under the contract. (A de minimis interest that would not "impair the employee's ability to act impartially and in the best interest of the Government" is not covered under this definition.)

(1) Among the sources of personal conflicts of interest are--

- (i) Financial interests of the covered employee, of close family members, or of other members of the covered employee's household;
- (ii) Other employment or financial relationships (including seeking or negotiating for prospective employment or business); and
- (iii) Gifts, including travel.

(2) For example, financial interests referred to in paragraph (1) of this definition may arise from--

- (i) Compensation, including wages, salaries, commissions, professional fees, or fees for business referrals;
- (ii) Consulting relationships (including commercial and professional consulting and service arrangements, scientific and technical advisory board memberships, or serving as an expert witness in litigation);
- (iii) Services provided in exchange for honorariums or travel expense reimbursements;
- (iv) Research funding or other forms of research support;
- (v) Investment in the form of stock or bond ownership or partnership interest (excluding diversified mutual fund investments);
- (vi) Real estate investments;
- (vii) Patents, copyrights, and other intellectual property interests; or
- (viii) Business ownership and investment interests.

(b) Requirements. The Contractor shall--

(1) Have procedures in place to screen covered employees for potential personal conflicts of interest, by--

(i) Obtaining and maintaining from each covered employee, when the employee is initially assigned to the task under the contract, a disclosure of interests that might be affected by the task to which the employee has been assigned, as follows:

(A) Financial interests of the covered employee, of close family members, or of other members of the covered employee's household.

(B) Other employment or financial relationships of the covered employee (including seeking or negotiating for prospective employment or business).

(C) Gifts, including travel; and

(ii) Requiring each covered employee to update the disclosure statement whenever the employee's personal or financial circumstances change in such a way that a new personal conflict of interest might occur because of the task the covered employee is performing.

(2) For each covered employee--

(i) Prevent personal conflicts of interest, including not assigning or allowing a covered employee to perform any task under the contract for which the Contractor has identified a personal conflict of interest for the employee that the Contractor or employee cannot satisfactorily prevent or mitigate in consultation with the contracting agency;

(ii) Prohibit use of non-public information accessed through performance of a Government contract for personal gain; and

(iii) Obtain a signed non-disclosure agreement to prohibit disclosure of non-public information accessed through performance of a Government contract.

(3) Inform covered employees of their obligation--

(i) To disclose and prevent personal conflicts of interest;

(ii) Not to use non-public information accessed through performance of a Government contract for personal gain; and

(iii) To avoid even the appearance of personal conflicts of interest;

(4) Maintain effective oversight to verify compliance with personal conflict-of-interest safeguards;

(5) Take appropriate disciplinary action in the case of covered employees who fail to comply with policies established pursuant to this clause; and

(6) Report to the Contracting Officer any personal conflict-of-interest violation by a covered employee as soon as it is identified. This report shall include a description of the violation and the proposed actions to be taken by the Contractor in response to the violation. Provide follow-up reports of corrective actions taken, as necessary. Personal conflict-of-interest violations include--

(i) Failure by a covered employee to disclose a personal conflict of interest;

(ii) Use by a covered employee of non-public information accessed through performance of a Government contract for personal gain; and

(iii) Failure of a covered employee to comply with the terms of a non-disclosure agreement.

(c) Mitigation or waiver. (1) In exceptional circumstances, if the Contractor cannot satisfactorily prevent a personal conflict of interest as required by paragraph (b)(2)(i) of this clause, the Contractor may submit a request through the Contracting Officer to the Head of the Contracting Activity for--

(i) Agreement to a plan to mitigate the personal conflict of interest; or

(ii) A waiver of the requirement.

(2) The Contractor shall include in the request any proposed mitigation of the personal conflict of interest.

(3) The Contractor shall--

(i) Comply, and require compliance by the covered employee, with any conditions imposed by the Government as necessary to mitigate the personal conflict of interest; or

(ii) Remove the Contractor employee or subcontractor employee from performance of the contract or terminate the applicable subcontract.

(d) Subcontract flowdown. The Contractor shall include the substance of this clause, including this paragraph (d), in subcontracts--

(1) That exceed \$150,000; and

(2) In which subcontractor employees will perform acquisition functions closely associated with inherently governmental functions (i.e., instead of performance only by a self-employed individual).

(End of clause)

#### 52.203-17 CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (APR 2014)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

(End of clause)

#### 52.204-19 INCORPORATION BY REFERENCE OF REPRESENTATIONS AND CERTIFICATIONS (DEC 2014)

The Contractor's representations and certifications, including those completed electronically via the System for Award Management (SAM), are incorporated by reference into the contract.

(End of clause)

52.216-19 ORDER LIMITATIONS. (OCT 1995)

(a) Minimum order. When the Government requires supplies or services covered by this contract in an amount of less than **\$40,000** (insert dollar figure or quantity), the Government is not obligated to purchase, nor is the Contractor obligated to furnish, those supplies or services under the contract.

(b) Maximum order. The Contractor is not obligated to honor:

(1) Any order for a single item in excess of **\$105,000** (insert dollar figure or quantity);

(2) Any order for a combination of items in excess of **\$2,864,144.50** (insert dollar figure or quantity); or

(3) A series of orders from the same ordering office within **30** days that together call for quantities exceeding the limitation in subparagraph (1) or (2) above.

(c) If this is a requirements contract (i.e., includes the Requirements clause at subsection 52.216-21 of the Federal Acquisition Regulation (FAR)), the Government is not required to order a part of any one requirement from the Contractor if that requirement exceeds the maximum-order limitations in paragraph (b) above.

(d) Notwithstanding paragraphs (b) and (c) above, the Contractor shall honor any order exceeding the maximum order limitations in paragraph (b), unless that order (or orders) is returned to the ordering office within **TBD** days after issuance, with written notice stating the Contractor's intent not to ship the item (or items) called for and the reasons. Upon receiving this notice, the Government may acquire the supplies or services from another source.

(End of clause)

52.216-22 INDEFINITE QUANTITY. (OCT 1995)

(a) This is an indefinite-quantity contract for the supplies or services specified, and effective for the period stated, in the Schedule. The quantities of supplies and services specified in the Schedule are estimates only and are not purchased by this contract.

(b) Delivery or performance shall be made only as authorized by orders issued in accordance with the Ordering clause. The Contractor shall furnish to the Government, when and if ordered, the supplies or services specified in the Schedule up to and including the quantity designated in the Schedule as the "maximum". The Government shall order at least the quantity of supplies or services designated in the Schedule as the "minimum".

(c) Except for any limitations on quantities in the Order Limitations clause or in the Schedule, there is no limit on the number of orders that may be issued. The Government may issue orders requiring delivery to multiple destinations or performance at multiple locations.

(d) Any order issued during the effective period of this contract and not completed within that period shall be completed by the Contractor within the time specified in the order. The contract shall govern the Contractor's and

Government's rights and obligations with respect to that order to the same extent as if the order were completed during the contract's effective period; provided, that the Contractor shall not be required to make any deliveries under this contract after **31 July 2018**.

(End of clause)

#### 52.217-8 OPTION TO EXTEND SERVICES (NOV 1999)

The Government may require continued performance of any services within the limits and at the rates specified in the contract. These rates may be adjusted only as a result of revisions to prevailing labor rates provided by the Secretary of Labor. The option provision may be exercised more than once, but the total extension of performance hereunder shall not exceed 6 months. The Contracting Officer may exercise the option by written notice to the Contractor within 30 days of the expiration of the contract.

(End of clause)

#### 52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT (MAR 2000)

(a) The Government may extend the term of this contract by written notice to the Contractor within 30 days of the end of the contract; provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least        days (60 days unless a different number of days is inserted) before the contract expires. The preliminary notice does not commit the Government to an extension.

(b) If the Government exercises this option, the extended contract shall be considered to include this option clause.

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed **42 Months**.

(End of clause)

#### 52.219-11 SPECIAL 8(a) CONTRACT CONDITIONS (FEB 1990)

The Small Business Administration (SBA) agrees to the following:

(a) To furnish the supplies or services set forth in this contract according to the specifications and the terms and conditions hereof by subcontracting with an eligible concern pursuant to the provisions of section 8(a) of the Small Business Act, as amended (15 U.S.C. 637(a)).

(b) That in the event SBA does not award a subcontract for all or a part of the work hereunder, this contract may be terminated either in whole or in part without cost to either party.

(c) Except for novation agreements and advance payments, delegates to the **Prime Contractor** the responsibility for administering the subcontract to be awarded hereunder with complete authority to take any action on behalf of the Government under the terms and conditions of the subcontract; provided, however, that the **Contracting Officer** shall give advance notice to the SBA before it issues a final notice terminating the right of a subcontractor to proceed with further performance, either in whole or in part, under the subcontract for default or for the convenience of the

Government.

(d) That payments to be made under any subcontract awarded under this contract will be made directly to the subcontractor by the Prime Contractor.

(e) That the subcontractor awarded a subcontract hereunder shall have the right of appeal from decisions of the Contracting Officer cognizable under the "Disputes" clause of said subcontract.

(f) To notify the Procuring Contracting Officer immediately upon notification by the subcontractor that the owner or owners upon whom 8(a) eligibility was based plan to relinquish ownership or control of the concern.

(End of clause)

#### 52.219-12 SPECIAL 8(A) SUBCONTRACT CONDITIONS (FEB 1990)

(a) The Small Business Administration (SBA) has entered into Contract No N63394-15-D-0001 with the NavSea PHD to furnish the supplies or services as described therein. A copy of the contract is attached hereto and made a part hereof.

(b) The JSL Technologies hereafter referred to as the subcontractor, agrees and acknowledges as follows:

(1) That it will, for and on behalf of the SBA, fulfill and perform all of the requirements of Contract No N63394-15-D-0001 for the consideration stated therein and that it has read and is familiar with each and every part of the contract.

(2) That the SBA has delegated responsibility, except for novation agreements and advance payments, for the administration of this subcontract to the NavSea PHD with complete authority to take any action on behalf of the Government under the terms and conditions of this subcontract.

(3) That it will not subcontract the performance of any of the requirements of this subcontract to any lower tier subcontractor without the prior written approval of the SBA and the designated Contracting Officer of the NavSea PHD.

(4) That it will notify the NavSea PHD Contracting Officer in writing immediately upon entering an agreement (either oral or written) to transfer all or part of its stock or other ownership interest to any other party.

(c) Payments, including any progress payments under this subcontract, will be made directly to the subcontractor by the NavSea PHD.

(End of clause)

#### 52.219-17 SECTION 8(a) AWARD (DEC 1996)

(a) By execution of a contract, the Small Business Administration (SBA) agrees to the following:

(1) To furnish the supplies or services set forth in the contract according to the specifications and the terms and conditions by subcontracting with the Offeror who has been determined an eligible concern pursuant to the

provisions of section 8(a) of the Small Business Act, as amended (15 U.S.C. 637(a)).

(2) Except for novation agreements and advance payments, delegates to the **NavSea PHD** the responsibility for administering the contract with complete authority to take any action on behalf of the Government under the terms and conditions of the contract; provided, however that the contracting agency shall give advance notice to the SBA before it issues a final notice terminating the right of the subcontractor to proceed with further performance, either in whole or in part, under the contract.

(3) That payments to be made under the contract will be made directly to the subcontractor by the contracting activity.

(4) To notify the **NavSea PHD** Contracting Officer immediately upon notification by the subcontractor that the owner or owners upon whom 8(a) eligibility was based plan to relinquish ownership or control of the concern.

(5) That the subcontractor awarded a subcontract hereunder shall have the right of appeal from decisions of the cognizant Contracting Officer under the "Disputes" clause of the subcontract.

The offeror/subcontractor agrees and acknowledges that it will, for and on behalf of the SBA, fulfill and perform all of the requirements of the contract.

(c) The offeror/subcontractor agrees that it will not subcontract the performance of any of the requirements of this subcontract to any lower tier subcontractor without the prior written approval of the SBA and the cognizant Contracting Officer of the **NavSea PHD**.

#### 52.219-18 NOTIFICATION OF COMPETITION LIMITED TO ELIGIBLE 8(A) CONCERNS (JUN 2003)

(a) Offers are solicited only from small business concerns expressly certified by the Small Business Administration (SBA) for participation in the SBA's 8(a) Program and which meet the following criteria at the time of submission of offer--

(1) The Offeror is in conformance with the 8(a) support limitation set forth in its approved business plan; and

(2) The Offeror is in conformance with the Business Activity Targets set forth in its approved business plan or any remedial action directed by the SBA.

(b) By submission of its offer, the Offeror represents that it meets all of the criteria set forth in paragraph (a) of this clause.

(c) Any award resulting from this solicitation will be made to the Small Business Administration, which will subcontract performance to the successful 8(a) offeror selected through the evaluation criteria set forth in this solicitation.

(d)(1) Agreement. A small business concern submitting an offer in its own name shall furnish, in performing the contract, only end items manufactured or produced by small business concerns in the United States or its outlying areas. If this procurement is processed under simplified **acquisition** procedures and the total amount of this contract does not exceed \$25,000, a small business concern may furnish the product of any domestic firm. This paragraph does not apply to construction or service contracts.

(2) The JSL Technology will notify the **NavSea PHD** Contracting Officer in writing immediately upon entering an

agreement (either oral or written) to transfer all or part of its stock or other ownership interest to any other party.

(End of clause)

## 52.219-28 POST-AWARD SMALL BUSINESS PROGRAM REREPRESENTATION (JULY 2013)

### (a) Definitions. As used in this clause--

Long-term contract means a contract of more than five years in duration, including options. However, the term does not include contracts that exceed five years in duration because the period of performance has been extended for a cumulative period not to exceed six months under the clause at 52.217-8, Option to Extend Services, or other appropriate authority.

Small business concern means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR part 121 and the size standard in paragraph (c) of this clause. Such a concern is "not dominant in its field of operation" when it does not exercise a controlling or major influence on a national basis in a kind of business activity in which a number of business concerns are primarily engaged. In determining whether dominance exists, consideration shall be given to all appropriate factors, including volume of business, number of employees, financial resources, competitive status or position, ownership or control of materials, processes, patents, license agreements, facilities, sales territory, and nature of business activity.

(b) If the Contractor represented that it was a small business concern prior to award of this contract, the Contractor shall rerepresent its size status according to paragraph (e) of this clause or, if applicable, paragraph (g) of this clause, upon the occurrence of any of the following:

(1) Within 30 days after execution of a novation agreement or within 30 days after modification of the contract to include this clause, if the novation agreement was executed prior to inclusion of this clause in the contract.

(2) Within 30 days after a merger or acquisition that does not require a novation or within 30 days after modification of the contract to include this clause, if the merger or acquisition occurred prior to inclusion of this clause in the contract.

### (3) For long-term contracts--

(i) Within 60 to 120 days prior to the end of the fifth year of the contract; and

(ii) Within 60 to 120 days prior to the date specified in the contract for exercising any option thereafter.

(c) The Contractor shall rerepresent its size status in accordance with the size standard in effect at the time of this rerepresentation that corresponds to the North American Industry Classification System (NAICS) code assigned to this contract. The small business size standard corresponding to this NAICS code can be found at <http://www.sba.gov/content/table-small-business-size-standards>.

(d) The small business size standard for a Contractor providing a product which it does not manufacture itself, for a contract other than a construction or service contract, is 500 employees.

(e) Except as provided in paragraph (g) of this clause, the Contractor shall make the representation required by paragraph (b) of this clause by validating or updating all its representations in the Representations and Certifications section of the System for Award Management (SAM) and its other data in SAM, as necessary, to ensure that they reflect the Contractor's current status. The

Contractor shall notify the contracting office in writing within the timeframes specified in paragraph (b) of this clause that the data have been validated or updated, and provide the date of the validation or update.

(f) If the Contractor represented that it was other than a small business concern prior to award of this contract, the Contractor may, but is not required to, take the actions required by paragraphs (e) or (g) of this clause.

(g) If the Contractor does not have representations and certifications in SAM, or does not have a representation in SAM for the NAICS code applicable to this contract, the Contractor is required to complete the following rerepresentation and submit it to the contracting office, along with the contract number and the date on which the rerepresentation was completed:

The Contractor represents that it ( ) is, ( ) is not a small business concern under NAICS Code 541219- assigned to contract number N63394-15-D-0001.

(Contractor to sign and date and insert authorized signer's name and title).

(End of clause)

#### 52.222-4 CONTRACT WORK HOURS AND SAFETY STANDARDS - OVERTIME COMPENSATION. (MAY 2014)

(a) Overtime requirements. No Contractor or subcontractor employing laborers or mechanics (see Federal Acquisition Regulation 22.300) shall require or permit them to work over 40 hours in any workweek unless they are paid at least 1 and 1/2 times the basic rate of pay for each hour worked over 40 hours.

(b) Violation; liability for unpaid wages; liquidated damages. The responsible Contractor and subcontractor are liable for unpaid wages if they violate the terms in paragraph (a) of this clause. In addition, the Contractor and subcontractor are liable for liquidated damages payable to the Government. The Contracting Officer will assess liquidated damages at the rate of \$10 per affected employee for each calendar day on which the employer required or permitted the employee to work in excess of the standard workweek of 40 hours without paying overtime wages required by the Contract Work Hours and Safety Standards statute (found at 40 U.S.C. chapter 37).

(c) Withholding for unpaid wages and liquidated damages. The Contracting Officer will withhold from payments due under the contract sufficient funds required to satisfy any Contractor or subcontractor liabilities for unpaid wages and liquidated damages. If amounts withheld under the contract are insufficient to satisfy Contractor or subcontractor liabilities, the Contracting Officer will withhold payments from other Federal or Federally assisted contracts held by the same Contractor that are subject to the Contract Work Hours and Safety Standards statute.

(d) Payrolls and basic records.

(1) The Contractor and its subcontractors shall maintain payrolls and basic payroll records for all laborers and mechanics working on the contract during the contract and shall make them available to the Government until 3 years after contract completion. The records shall contain the name and address of each employee, social security number, labor classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions

made, and actual wages paid. The records need not duplicate those required for construction work by Department of Labor regulations at 29 CFR 5.5(a)(3) implementing the Construction Wage Rate Requirements statute.

(2) The Contractor and its subcontractors shall allow authorized representatives of the Contracting Officer or the Department of Labor to inspect, copy, or transcribe records maintained under paragraph (d)(1) of this clause. The Contractor or subcontractor also shall allow authorized representatives of the Contracting Officer or Department of Labor to interview employees in the workplace during working hours.

(e) Subcontracts. The Contractor shall insert the provisions set forth in paragraphs (a) through (d) of this clause in subcontracts that may require or involve the employment of laborers and mechanics and require subcontractors to include these provisions in any such lower tier subcontracts. The Contractor shall be responsible for compliance by any subcontractor or lower-tier subcontractor with the provisions set forth in paragraphs (a) through (d) of this clause.

(End of clause)

#### 52.222-17 NONDISPLACEMENT OF QUALIFIED WORKERS (MAY 2014)

(a) Service employee, as used in this clause, means any person engaged in the performance of a service contract other than any person employed in a bona fide executive, administrative, or professional capacity, as those terms are defined in 29 CFR part 541. The term "service employee" includes all such persons regardless of any contractual relationship that may be alleged to exist between a contractor or subcontractor and such persons.

(b) The Contractor and its subcontractors shall, except as otherwise provided herein, in good faith offer those service employees employed under the predecessor contract whose employment will be terminated as a result of award of this contract or the expiration of the contract under which the service employees were hired, a right of first refusal of employment under this contract in positions for which the service employees are qualified.

(1) The Contractor and its subcontractors shall determine the number of service employees necessary for efficient performance of this contract and may elect to employ fewer employees than the predecessor Contractor employed in connection with performance of the work.

(2) Except as provided in paragraph (c) of this clause, there shall be no employment opening under this contract, and the Contractor and any subcontractors shall not offer employment under this contract, to any person prior to having complied fully with this obligation.

(i) The successor Contractor and its subcontractors shall make a bona fide express offer of employment to each service employee as provided herein and shall state the time within which the service employee must accept such offer, but in no case shall the period within which the service employee must accept the offer of employment be less than 10 days.

(ii) The successor Contractor and its subcontractors shall decide any question concerning a service employee's qualifications based upon the individual's education and employment history, with particular emphasis on the employee's experience on the predecessor contract, and the Contractor may utilize employment screening processes only when such processes are provided for by the contracting agency, are conditions of the service contract, and are consistent with Executive Order 13495.

(iii) Where the successor Contractor does not initially offer employment to all the predecessor contract service employees, the obligation to offer employment shall continue for 90 days after the successor contractor's first date of performance on the contract.

(iv) An offer of employment will be presumed to be bona fide even if it is not for a position similar to the one the employee previously held, but is one for which the employee is qualified, and even if it is subject to different employment terms and conditions, including changes to pay or benefits. (See 29 CFR 9.12 for a detailed description of a bonafide offer of employment).

(c)(1) Notwithstanding the obligation under paragraph (b) of this clause, the successor Contractor and any subcontractors (i) may employ under this contract any service employee who has worked for the contractor or subcontractor for at least three months immediately preceding the commencement of this contract and who would otherwise face lay-off or discharge, (ii) are not required to offer a right of first refusal to any service employee(s) of the predecessor contractor who are not service employees within the meaning of the Service Contract Labor Standards statute, 41 U.S.C. 6701(3), and (iii) are not required to offer a right of first refusal to any service employee(s) of the predecessor contractor whom the Contractor or any of its subcontractors reasonably believes, based on the particular service employee's past performance, has failed to perform suitably on the job (see 29 CFR 9.12(c)(4) for additional information). The successor Contractor bears the responsibility of demonstrating the appropriateness of claiming any of these exceptions.

(2) In addition, any Contractor or subcontractor that has been certified by the U.S. Small Business Administration as a HUBZone small business concern must ensure that it complies with the statutory and regulatory requirements of the HUBZone Program (e.g., it must ensure that at least 35 percent of all of its employees reside within a HUBZone). The HUBZone small business Contractor or subcontractor must consider whether it can meet the requirements of this clause and Executive Order 13495 while also ensuring it meets the HUBZone Program's requirements.

(3) Nothing in this clause shall be construed to permit a Contractor or subcontractor to fail to comply with any provision of any other Executive order or law. For example, the requirements of the HUBZone Program (see FAR subpart 19.13), Executive Order 11246 (Equal Employment Opportunity), and the Vietnam Era Veterans' Readjustment Assistance Act of 1974 may conflict, in certain circumstances, with the requirements of Executive Order 13495. All applicable laws and Executive orders must be satisfied in tandem with, and if necessary prior to, the requirements of Executive Order 13495, 29 CFR part 9, and this clause.

(d)(1) The Contractor shall, not less than 30 days before completion of the Contractor's performance of services on the contract, furnish the Contracting Officer with a certified list of the names of all service employees working under this contract and its subcontracts at the time the list is submitted. The list shall also contain anniversary dates of employment of each service employee under this contract and its predecessor contracts with either the current or predecessor contractors or their subcontractors. Where changes to the workforce are made after the submission of the certified list described in this paragraph, the Contractor shall, in accordance with paragraph (e) of this clause, not less than 10 days before completion of the services on this contract, furnish the Contracting Officer with an updated certified list of the names of all service employees employed within the last month of contract performance. The updated list shall also contain anniversary dates of employment, and, where applicable, dates of separation of each service employee under the contract and its predecessor contracts with either the current or predecessor Contractors or their subcontractors.

(2) Immediately upon receipt of the certified service employee list but not before contract award, the contracting officer shall provide the certified service employee list to the successor contractor, and, if requested, to employees of the predecessor contractor or subcontractors or their authorized representatives.

(3) The Contracting Officer will direct the predecessor Contractor to provide written notice (Appendix B to 29 CFR chapter 9) to service employees of their possible right to an offer of employment with the successor contractor. Where a significant portion of the predecessor Contractor's workforce is not fluent in English, the notice shall be provided in English and the language(s) with which service employees are more familiar. The written notice shall be—

(i) Posted in a conspicuous place at the worksite; or (ii) Delivered to the service employees individually. If such delivery is via email, the notification must result in an electronic delivery receipt or some other reliable confirmation that the intended recipient received the notice.

(e)(1) If required in accordance with 52.222-41(n), the predecessor Contractor shall, not less than 10 days before completion of this contract, furnish the Contracting Officer a certified list of the names of all service employees working under this contract and its subcontracts during the last month of contract performance. The list shall also contain anniversary dates of employment of each service employee under this contract and its predecessor contracts either with the current or predecessor Contractors or their subcontractors. If there are no changes to the workforce before the predecessor contract is completed, then the predecessor Contractor is not required to submit a revised list 10 days prior to completion of performance and the requirements of 52.222-41(n) are met. When there are changes to the workforce after submission of the 30-day list, the predecessor Contractor shall submit a revised certified list not less than 10 days prior to performance completion.

(2) Immediately upon receipt of the certified service employee list but not before contract award, the contracting officer shall provide the certified service employee list to the successor contractor, and, if requested, to employees of the predecessor contractor or subcontractors or their authorized representatives.

(f) The Contractor and subcontractor shall maintain the following records (regardless of format, e.g., paper or electronic) of its compliance with this clause for not less than a period of three years from the date the records were created.

(1) Copies of any written offers of employment or a contemporaneous written record of any oral offers of employment, including the date, location, and attendance roster of any service employee meeting(s) at which the offers were extended, a summary of each meeting, a copy of any written notice that may have been distributed, and the names of the service employees from the predecessor contract to whom an offer was made.

(2) A copy of any record that forms the basis for any exemption claimed under this part.

(3) A copy of the service employee list provided to or received from the contracting agency.

(4) An entry on the pay records of the amount of any retroactive payment of wages or compensation under the supervision of the Administrator of the Wage and Hour Division to each service employee, the period covered by such payment, and the date of payment, and a copy of any receipt form provided by or authorized by the Wage and Hour Division. The Contractor shall also deliver a copy of the receipt to the service employee and file the original, as evidence of payment by the Contractor and receipt by the service employee, with the Administrator or an authorized representative within 10 days after payment is made.

(g) Disputes concerning the requirements of this clause shall not be subject to the general disputes clause (52.233-1) of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR part 9. Disputes within the meaning of this clause include disputes between or among any of the following: The Contractor, the contracting agency, the U.S. Department of Labor, and the service employees under the contract or its predecessor contract. The Contracting Officer will refer any service employee who wishes to file a complaint, or ask questions concerning this contract clause, to the: Branch of Government Contracts Enforcement, Wage and Hour Division, U.S. Department of Labor, 200 Constitution Avenue NW., Washington,

DC 20210. Contact email: [displaced@dol.gov](mailto:displaced@dol.gov).

(h) The Contractor shall cooperate in any review or investigation by the Department of Labor into possible violations of the provisions of this clause and shall make such records requested by such official(s) available for inspection, copying, or transcription upon request.

(i) If it is determined, pursuant to regulations issued by the Secretary of Labor (Secretary), that the Contractor or its subcontractors are not in compliance with the requirements of this clause or any regulation or order of the Secretary, appropriate sanctions may be imposed and remedies invoked against the Contractor or its subcontractors, as provided in Executive Order 13495, the regulations, and relevant orders of the Secretary, or as otherwise provided by law.

(j) The Contractor shall take such action with respect to any such subcontract as may be directed by the Secretary of Labor as a means of enforcing such provisions, including the imposition of sanctions for noncompliance. However, if the Contractor, as a result of such direction, becomes involved in litigation with a subcontractor, or is threatened with such involvement, the Contractor may request that the United States, through the Secretary, enter into such litigation to protect the interests of the United States.

(k) The Contracting Officer will withhold, or cause to be withheld, from the prime Contractor under this or any other Government contract with the same prime Contractor, such sums as an authorized official of the Department of Labor requests, upon a determination by the Administrator, the Administrative Law Judge, or the Administrative Review Board, that there has been a failure to comply with the terms of this clause and that wages lost as a result of the violations are due to service employees or that other monetary relief is appropriate. If the Contracting Officer or the Administrator, upon final order of the Secretary, finds that the Contractor has failed to provide a list of the names of service employees working under the contract, the Contracting Officer may, in his or her discretion, or upon request by the Administrator, take such action as may be necessary to cause the suspension of the payment of contract funds until such time as the list is provided to the Contracting Officer.

(l) Subcontracts. In every subcontract over the simplified acquisition threshold entered into in order to perform services under this contract, the Contractor shall include a provision that ensures—

(1) That each subcontractor will honor the requirements of paragraphs (b) through (c) of this clause with respect to the service employees of a predecessor subcontractor or subcontractors working under this contract, as well as of a predecessor Contractor and its subcontractors;

(2) That the subcontractor will provide the Contractor with the information about the service employees of the subcontractor needed by the Contractor to comply with paragraphs (d) and (e) of this clause; and

(3) The recordkeeping requirements of paragraph (f) of this clause.

#### 52.222-54 EMPLOYMENT ELIGIBILITY VERIFICATION (AUG 2013)

(a) Definitions. As used in this clause--Commercially available off-the-shelf (COTS) item—

(1) Means any item of supply that is--

- (i) A commercial item (as defined in paragraph (1) of the definition at 2.101);
- (ii) Sold in substantial quantities in the commercial marketplace; and
- (iii) Offered to the Government, without modification, in the same form in which it is sold in the commercial marketplace; and

(2) Does not include bulk cargo, as defined in 46 U.S.C. 40102(4), such as agricultural products and petroleum products. Per 46 CFR 525.1(c)(2), "bulk cargo" means cargo that is loaded and carried in bulk onboard ship without mark or count, in a loose unpackaged form, having homogenous characteristics. Bulk cargo loaded into intermodal equipment, except LASH or Seabee barges, is subject to mark and count and, therefore, ceases to be bulk cargo.

Employee assigned to the contract means an employee who was hired after November 6, 1986 (after November 27, 2009, in the Commonwealth of the Northern Mariana Islands), who is directly performing work, in the United States, under a contract that is required to include the clause prescribed at 22.1803. An employee is not considered to be directly performing work under a contract if the employee--

- (1) Normally performs support work, such as indirect or overhead functions; and
- (2) Does not perform any substantial duties applicable to the contract.

Subcontract means any contract, as defined in 2.101, entered into by a subcontractor to furnish supplies or services for performance of a prime contract or a subcontract. It includes but is not limited to purchase orders, and changes and modifications to purchase orders.

Subcontractor means any supplier, distributor, vendor, or firm that furnishes supplies or services to or for a prime Contractor or another subcontractor.

United States, as defined in 8 U.S.C. 1101(a)(38), means the 50 States, the District of Columbia, Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands.

(b) Enrollment and verification requirements.

(1) If the Contractor is not enrolled as a Federal Contractor in E-Verify at time of contract award, the Contractor shall--

- (i) Enroll. Enroll as a Federal Contractor in the E-Verify program within 30 calendar days of contract award;
- (ii) Verify all new employees. Within 90 calendar days of enrollment in the E-Verify program, begin to use E-Verify to initiate verification of employment eligibility of all new hires of the Contractor, who are working in the United States, whether or not assigned to the contract, within 3 business days after the date of hire (but see paragraph (b)(3) of this section); and
- (iii) Verify employees assigned to the contract. For each employee assigned to the contract, initiate verification within 90 calendar days after date of enrollment or within 30 calendar days of the employee's assignment to the contract, whichever date is later (but see paragraph (b)(4) of this section).

(2) If the Contractor is enrolled as a Federal Contractor in E-Verify at time of contract award, the Contractor shall use E-Verify to initiate verification of employment eligibility of--

(i) All new employees. (A) Enrolled 90 calendar days or more. The Contractor shall initiate verification of all new hires of the Contractor, who are working in the United States, whether or not assigned to the contract, within 3 business days after the date of hire (but see paragraph (b)(3) of this section); or

(B) Enrolled less than 90 calendar days. Within 90 calendar days after enrollment as a Federal Contractor in E-Verify, the Contractor shall initiate verification of all new hires of the Contractor, who are working in the United States, whether or not assigned to the contract, within 3 business days after the date of hire (but see paragraph (b)(3) of this section); or

(ii) Employees assigned to the contract. For each employee assigned to the contract, the Contractor shall initiate verification within 90 calendar days after date of contract award or within 30 days after assignment to the contract, whichever date is later (but see paragraph (b)(4) of this section).

(3) If the Contractor is an institution of higher education (as defined at 20 U.S.C. 1001(a)); a State or local government or the government of a Federally recognized Indian tribe; or a surety performing under a takeover agreement entered into with a Federal agency pursuant to a performance bond, the Contractor may choose to verify only employees assigned to the contract, whether existing employees or new hires. The Contractor shall follow the applicable verification requirements at (b)(1) or (b)(2), respectively, except that any requirement for verification of new employees applies only to new employees assigned to the contract.

(4) Option to verify employment eligibility of all employees. The Contractor may elect to verify all existing employees hired after November 6, 1986 (after November 27, 2009, in the Commonwealth of the Northern Mariana Islands), rather than just those employees assigned to the contract. The Contractor shall initiate verification for each existing employee working in the United States who was hired after November 6, 1986 (after November 27, 2009, in the Commonwealth of the Northern Mariana Islands), within 180 calendar days of--

(i) Enrollment in the E-Verify program; or

(ii) Notification to E-Verify Operations of the Contractor's decision to exercise this option, using the contact information provided in the E-Verify program Memorandum of Understanding (MOU).

(5) The Contractor shall comply, for the period of performance of this contract, with the requirements of the E-Verify program MOU.

(i) The Department of Homeland Security (DHS) or the Social Security Administration (SSA) may terminate the Contractor's MOU and deny access to the E-Verify system in accordance with the terms of the MOU. In such case, the Contractor will be referred to a suspension or debarment official.

(ii) During the period between termination of the MOU and a decision by the suspension or debarment official whether to suspend or debar, the Contractor is excused from its obligations under paragraph (b) of this clause. If the suspension or debarment official determines not to suspend or debar the Contractor, then the Contractor must reenroll in E-Verify.

(c) Web site. Information on registration for and use of the E-Verify program can be obtained via the Internet at the Department of Homeland Security Web site: <http://www.dhs.gov/E-Verify>.

(d) Individuals previously verified. The Contractor is not required by this clause to perform additional employment verification using E-Verify for any employee--

(1) Whose employment eligibility was previously verified by the Contractor through the E-Verify program;

(2) Who has been granted and holds an active U.S. Government security clearance for access to confidential, secret, or top secret information in accordance with the National Industrial Security Program Operating Manual; or

(3) Who has undergone a completed background investigation and been issued credentials pursuant to Homeland Security Presidential Directive (HSPD)-12, Policy for a Common Identification Standard for Federal Employees and Contractors.

(e) Subcontracts. The Contractor shall include the requirements of this clause, including this paragraph (e) (appropriately modified for identification of the parties), in each subcontract that--

(1) Is for--(i) Commercial or noncommercial services (except for commercial services that are part of the purchase of a COTS item (or an item that would be a COTS item, but for minor modifications), performed by the COTS provider, and are normally provided for that COTS item); or

(ii) Construction;

(2) Has a value of more than \$3,000; and

(3) Includes work performed in the United States.

(End of clause)

#### 52.222-55 MINIMUM WAGES UNDER EXECUTIVE ORDER 13658 (DEC 2014)

(a) Definitions. As used in this clause--

``United States" means the 50 states and the District of Columbia.

``Worker"--

(1) Means any person engaged in performing work on, or in connection with, a contract covered by Executive Order 13658, and

(i) Whose wages under such contract are governed by the Fair Labor Standards Act (29 U.S.C. chapter 8), the Service Contract Labor Standards statute (41 U.S.C. chapter 67), or the Wage Rate Requirements (Construction) statute (40 U.S.C. chapter 31, subchapter IV),

(ii) Other than individuals employed in a bona fide executive, administrative, or professional capacity, as those terms are defined in 29 CFR part 541,

(iii) Regardless of the contractual relationship alleged to exist between the individual and the employer.

(2) Includes workers performing on, or in connection with, the contract whose wages are calculated pursuant to special certificates issued under 29 U.S.C. 214(c).

(3) Also includes any person working on, or in connection with, the contract and individually registered in a bona fide apprenticeship or training program registered with the Department of Labor's Employment and Training

Administration, Office of Apprenticeship, or with a State Apprenticeship Agency recognized by the Office of Apprenticeship.

(b) Executive Order Minimum Wage rate. (1) The Contractor shall pay to workers, while performing in the United States, and performing on, or in connection with, this contract, a minimum hourly wage rate of \$10.10 per hour beginning January 1, 2015.

(2) The Contractor shall adjust the minimum wage paid, if necessary, beginning January 1, 2016 and annually thereafter, to meet the Secretary of Labor's annual E.O. minimum wage. The Administrator of the Department of Labor's Wage and Hour Division (the Administrator) will publish annual determinations in the Federal Register no later than 90 days before the effective date of the new E.O. minimum wage rate. The Administrator will also publish the applicable E.O. minimum wage on [www.wdol.gov](http://www.wdol.gov) (or any successor Web site) and on all wage determinations issued under the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute. The applicable published E.O. minimum wage is incorporated by reference into this contract.

(3)(i) The Contractor may request a price adjustment only after the effective date of the new annual E.O. minimum wage determination. Prices will be adjusted only if labor costs increase as a result of an increase in the annual E.O. minimum wage, and for associated labor costs and relevant subcontract costs. Associated labor costs shall include increases or decreases that result from changes in social security and unemployment taxes and workers' compensation insurance, but will not otherwise include any amount for general and administrative costs, overhead, or profit.

(ii) Subcontractors may be entitled to adjustments due to the new minimum wage, pursuant to paragraph (b)(2). Contractors shall consider any subcontractor requests for such price adjustment.

(iii) The Contracting Officer will not adjust the contract price under this clause for any costs other than those identified in paragraph (b)(3)(i) of this clause, and will not provideduplicate price adjustments with any price adjustment under clauses implementing the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute.

(4) The Contractor warrants that the prices in this contract do not include allowance for any contingency to cover increased costs for which adjustment is provided under this clause.

(5) A pay period under this clause may not be longer than semi-monthly, but may be shorter to comply with any applicable law or other requirement under this contract establishing a shorter pay period. Workers shall be paid no later than one pay period following the end of the regular pay period in which such wages were earned or accrued.

(6) The Contractor shall pay, unconditionally to each worker, all wages due free and clear without subsequent rebate or kickback. The Contractor may make deductions that reduce a worker's wages below the E.O. minimum wage rate only if done in accordance with 29 CFR 10.23, Deductions.

(7) The Contractor shall not discharge any part of its minimum wage obligation under this clause by furnishing fringe benefits or, with respect to workers whose wages are governed by the Service Contract Labor Standards statute, the cash equivalent thereof.

(8) Nothing in this clause shall excuse the Contractor from compliance with any applicable Federal or State prevailing wage law or any applicable law or municipal ordinance establishing a minimum wage higher than the E.O. minimum wage. However, wage increases under such other laws or municipal ordinances are not subject to price adjustment under this subpart.

(9) The Contractor shall pay the E.O. minimum wage rate whenever it is higher than any applicable collective bargaining agreement(s) wage rate.

(10) The Contractor shall follow the policies and procedures in 29 CFR 10.24(b) and 10.28 for treatment of workers engaged in an occupation in which they customarily and regularly receive more than \$30 a month in tips.

(c)(1) This clause applies to workers as defined in paragraph (a). As provided in that definition--

(i) Workers are covered regardless of the contractual relationship alleged to exist between the contractor or subcontractor and the worker;

(ii) Workers with disabilities whose wages are calculated pursuant to special certificates issued under 29 U.S.C. 214(c) are covered; and

(iii) Workers who are registered in a bona fide apprenticeship program or training program registered with the Department of Labor's Employment and Training Administration, Office of Apprenticeship, or with a State Apprenticeship Agency recognized by the Office of Apprenticeship, are covered.

(2) This clause does not apply to--

(i) Fair Labor Standards Act (FLSA)-covered individuals performing in connection with contracts covered by the E.O., i.e. those individuals who perform duties necessary to the performance of the contract, but who are not directly engaged in performing the specific work called for by the contract, and who spend less than 20 percent of their hours worked in a particular workweek performing in connection with such contracts;

(ii) Individuals exempted from the minimum wage requirements of the FLSA under 29 U.S.C. 213(a) and 214(a) and (b), unless otherwise covered by the Service Contract Labor Standards statute, or the Wage Rate Requirements (Construction) statute. These individuals include but are not limited to--

(A) Learners, apprentices, or messengers whose wages are calculated pursuant to special certificates issued under 29 U.S.C. 214(a).

(B) Students whose wages are calculated pursuant to special certificates issued under 29 U.S.C. 214(b).

(C) Those employed in a bona fide executive, administrative, or professional capacity (29 U.S.C. 213(a)(1) and 29 CFR part 541).

(d) Notice. The Contractor shall notify all workers performing work on, or in connection with, this contract of the applicable E.O. minimum wage rate under this clause. With respect to workers covered by the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute, the Contractor may meet this requirement by posting, in a prominent and accessible place at the worksite, the applicable wage determination under those statutes. With respect to workers whose wages are governed by the FLSA, the Contractor shall post notice, utilizing the poster provided by the Administrator, which can be obtained at [www.dol.gov/whd/govcontracts](http://www.dol.gov/whd/govcontracts), in a prominent and accessible place at the worksite. Contractors that customarily post notices to workers electronically may post the notice electronically provided the electronic posting is displayed prominently on any Web site that is maintained by the contractor, whether external or internal, and customarily used for notices to workers about terms and conditions of employment.

(e) Payroll Records. (1) The Contractor shall make and maintain records, for three years after completion of the work, containing the following information for each worker:

- (i) Name, address, and social security number;
  - (ii) The worker's occupation(s) or classification(s);
  - (iii) The rate or rates of wages paid;
  - (iv) The number of daily and weekly hours worked by each worker;
  - (v) Any deductions made; and
  - (vi) Total wages paid.
- (2) The Contractor shall make records pursuant to paragraph (e)(1) of this clause available for inspection and transcription by authorized representatives of the Administrator. The Contractor shall also make such records available upon request of the Contracting Officer.
- (3) The Contractor shall make a copy of the contract available, as applicable, for inspection or transcription by authorized representatives of the Administrator.
- (4) Failure to comply with this paragraph (e) shall be a violation of 29 CFR 10.26 and this contract. Upon direction of the Administrator or upon the Contracting Officer's own action, payment shall be withheld until such time as the noncompliance is corrected.
- (5) Nothing in this clause limits or otherwise modifies the Contractor's payroll and recordkeeping obligations, if any, under the Service Contract Labor Standards statute, the Wage Rate Requirements (Construction) statute, the Fair Labor Standards Act, or any other applicable law.
- (f) Access. The Contractor shall permit authorized representatives of the Administrator to conduct investigations, including interviewing workers at the worksite during normal working hours.
- (g) Withholding. The Contracting Officer, upon his or her own action or upon written request of the Administrator, will withhold funds or cause funds to be withheld, from the Contractor under this or any other Federal contract with the same Contractor, sufficient to pay workers the full amount of wages required by this clause.
- (h) Disputes. Department of Labor has set forth in 29 CFR 10.51, Disputes concerning contractor compliance, the procedures for resolving disputes concerning a contractor's compliance with Department of Labor regulations at 29 CFR part 10. Such disputes shall be resolved in accordance with those procedures and not the Disputes clause of this contract. These disputes include disputes between the Contractor (or any of its subcontractors) and the contracting agency, the Department of Labor, or the workers or their representatives.
- (i) Antiretaliation. The Contractor shall not discharge or in any other manner discriminate against any worker because such worker has filed any complaint or instituted or caused to be instituted any proceeding under or related to compliance with the E.O. or this clause, or has testified or is about to testify in any such proceeding.
- (j) Subcontractor compliance. The Contractor is responsible for subcontractor compliance with the requirements of this clause and may be held liable for unpaid wages due subcontractor workers.
- (k) Subcontracts. The Contractor shall include the substance of this clause, including this paragraph (k) in all subcontracts, regardless of dollar value, that are subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute, and are to be performed in whole or in part in the United States.

(End of clause)

52.222-99 ESTABLISHING A MINIMUM WAGE FOR CONTRACTORS (DEVIATION 2014-O0017) (JUNE 2014)

This clause implements Executive Order 13658, Establishing a Minimum Wage for Contractors, dated February 12, 2014, and OMB Policy Memorandum M-14-09, dated June 12, 2014.

(a) Each service employee, laborer, or mechanic employed in the United States (the 50 States and the District of Columbia) in the performance of this contract by the prime Contractor or any subcontractor, regardless of any contractual relationship which may be alleged to exist between the Contractor and service employee, laborer, or mechanic, shall be paid not less than the applicable minimum wage under Executive Order 13658. The minimum wage required to be paid to each service employee, laborer, or mechanic performing work on this contract between January 1, 2015, and December 31, 2015, shall be \$10.10 per hour.

(b) The Contractor shall adjust the minimum wage paid under this contract each time the Secretary of Labor's annual determination of the applicable minimum wage under section 2(a)(ii) of Executive Order 13658 results in a higher minimum wage. Adjustments to the Executive Order minimum wage under section 2(a)(ii) of Executive Order 13658 will be effective for all service employees, laborers, or mechanics subject to the Executive Order beginning January 1 of the following year. The Secretary of Labor will publish annual determinations in the Federal Register no later than 90 days before such new wage is to take effect. The Secretary will also publish the applicable minimum wage on [www.wdol.gov](http://www.wdol.gov) (or any successor website). The applicable published minimum wage is incorporated by reference into this contract.

(c) The Contracting Officer will adjust the contract price or contract unit price under this clause only for the increase in labor costs resulting from the annual inflation increases in the Executive Order 13658 minimum wage beginning on January 1, 2016. The Contracting Officer shall consider documentation as to the specific costs and workers impacted in determining the amount of the adjustment.

(d) The Contractor Officer will not adjust the contract price under this clause for any costs other than those identified in paragraph (c) of this clause, and will not provide price adjustments under this clause that result in duplicate price adjustments with the respective clause of this contract implementing the Service Contract Labor Standards statute (formerly known as the Service Contract Act) or the Wage Rate Requirements (Construction) statute (formerly known as the Davis Bacon Act).

(e) The Contractor shall include the substance of this clause, including this paragraph (e) in all subcontracts.

(End of clause)

52.230-3 DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES (MAY 2014)

(a) The Contractor, in connection with this contract, shall--

(1) Comply with the requirements of 48 CFR 9904.401, Consistency in Estimating, Accumulating, and Reporting Costs; 48 CFR 9904.402, Consistency in Allocating Costs Incurred for the Same Purpose; 48 CFR 9904.405, Accounting for Unallowable Costs; and 48 CFR 9904.406, Cost Accounting Standard--Cost Accounting Period, in effect on the date of award of this contract as indicated in 48 CFR Part 9904.

(2) (CAS-covered Contracts Only) If it is a business unit of a company required to submit a Disclosure Statement, disclose in writing its cost accounting practices as required by 48 CFR 9903.202-1 through 9903.202-5. If the

Contractor has notified the Contracting Officer that the Disclosure Statement contains trade secrets and commercial or financial information which is privileged and confidential, the Disclosure Statement shall be protected and shall not be released outside of the Government.

(3)(i) Follow consistently the Contractor's cost accounting practices. A change to such practices may be proposed, however, by either the Government or the Contractor, and the Contractor agrees to negotiate with the Contracting Officer the terms and conditions under which a change may be made. After the terms and conditions under which the change is to be made have been agreed to, the change must be applied prospectively to this contract, and the Disclosure Statement, if affected, must be amended accordingly.

(ii) The Contractor shall, when the parties agree to a change to a cost accounting practice and the Contracting Officer has made the finding required in 48 CFR 9903.201-6(c), that the change is desirable and not detrimental to the interests of the Government, negotiate an equitable adjustment as provided in the Changes clause of this contract. In the absence of the required finding, no agreement may be made under this contract clause that will increase costs paid by the United States.

(4) Agree to an adjustment of the contract price or cost allowance, as appropriate, if the Contractor or a subcontractor fails to comply with the applicable CAS or to follow any cost accounting practice, and such failure results in any increased costs paid by the United States. Such adjustment shall provide for recovery of the increased costs to the United States together with interest thereon computed at the annual rate established under section 6621(a)(2) of the Internal Revenue Code of 1986 (26 U.S.C. 6621(a)(2)), from the time the payment by the United States was made to the time the adjustment is effected.

(b) If the parties fail to agree whether the Contractor has complied with an applicable CAS, rule, or regulation as specified in 48 CFR 9903 and 9904 and as to any cost adjustment demanded by the United States, such failure to agree will constitute a dispute under 41 U.S.C. chapter 71, Contract Disputes.

(c) The Contractor shall permit any authorized representatives of the Government to examine and make copies of any documents, papers, and records relating to compliance with the requirements of this clause.

(d) The Contractor shall include in all negotiated subcontracts, which the Contractor enters into, the substance of this clause, except paragraph (b), and shall require such inclusion in all other subcontracts of any tier, except that--

(1) If the subcontract is awarded to a business unit which pursuant to 48 CFR 9903.201-2 is subject to other types of CAS coverage, the substance of the applicable clause set forth in subsection 30.201-4 of the Federal Acquisition Regulation shall be inserted.

(2) This requirement shall apply only to negotiated subcontracts in excess of \$700,000.

(3) The requirement shall not apply to negotiated subcontracts otherwise exempt from the requirement to include a CAS clause as specified in 48 CFR 9903.201-1.

(End of clause)

#### 52.232-19 AVAILABILITY OF FUNDS FOR THE NEXT FISCAL YEAR (APR 1984)

Funds are not presently available for performance under this contract beyond \_\_\_\_\_. The Government's obligation for performance of this contract beyond that date is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the Government for any payment

may arise for performance under this contract beyond \_\_\_\_\_, until funds are made available to the Contracting Officer for performance and until the Contractor receives notice of availability, to be confirmed in writing by the Contracting Officer.

(End of clause)

#### 52.232-39 UNENFORCEABILITY OF UNAUTHORIZED OBLIGATIONS (JUN 2013)

(a) Except as stated in paragraph (b) of this clause, when any supply or service acquired under this contract is subject to any End User License Agreement (EULA), Terms of Service (TOS), or similar legal instrument or agreement, that includes any clause requiring the Government to indemnify the Contractor or any person or entity for damages, costs, fees, or any other loss or liability that would create an Anti-Deficiency Act violation (31 U.S.C. 1341), the following shall govern:

(1) Any such clause is unenforceable against the Government.

(2) Neither the Government nor any Government authorized end user shall be deemed to have agreed to such clause by virtue of it appearing in the EULA, TOS, or similar legal instrument or agreement. If the EULA, TOS, or similar legal instrument or agreement is invoked through an "I agree" click box or other comparable mechanism (e.g., "click-wrap" or "browse-wrap" agreements), execution does not bind the Government or any Government authorized end user to such clause.

(3) Any such clause is deemed to be stricken from the EULA, TOS, or similar legal instrument or agreement.

(b) Paragraph (a) of this clause does not apply to indemnification by the Government that is expressly authorized by statute and specifically authorized under applicable agency regulations and procedures.

(End of clause)

#### 52.232-40 PROVIDING ACCELERATED PAYMENTS TO SMALL BUSINESS SUBCONTRACTORS (DEC 2013)

(a) Upon receipt of accelerated payments from the Government, the Contractor shall make accelerated payments to its small business subcontractors under this contract, to the maximum extent practicable and prior to when such payment is otherwise required under the applicable contract or subcontract, after receipt of a proper invoice and all other required documentation from the small business subcontractor.

(b) The acceleration of payments under this clause does not provide any new rights under the Prompt Payment Act.

(c) Include the substance of this clause, including this paragraph (c), in all subcontracts with small business concerns, including subcontracts with small business concerns for the acquisition of commercial items.

(End of clause)

## 52.233-4 APPLICABLE LAW FOR BREACH OF CONTRACT CLAIM (OCT 2004)

United States law will apply to resolve any claim of breach of this contract.

(End of clause)

## 52.248-1 VALUE ENGINEERING (OCT 2010)

(a) General. The Contractor is encouraged to develop, prepare, and submit value engineering change proposals (VECP's) voluntarily. The Contractor shall share in any net acquisition savings realized from accepted VECP's, in accordance with the incentive sharing rates in paragraph (f) below.

(b) Definitions. "Acquisition savings," as used in this clause, means savings resulting from the application of a VECP to contracts awarded by the same contracting office or its successor for essentially the same unit. Acquisition savings include--

(1) Instant contract savings, which are the net cost reductions on this, the instant contract, and which are equal to the instant unit cost reduction multiplied by the number of instant contract units affected by the VECP, less the Contractor's allowable development and implementation costs;

(2) Concurrent contract savings, which are net reductions in the prices of other contracts that are definitized and ongoing at the time the VECP is accepted; and

(3) Future contract savings, which are the product of the future unit cost reduction multiplied by the number of future contract units in the sharing base. On an instant contract, future contract savings include savings on increases in quantities after VECP acceptance that are due to contract modifications, exercise of options, additional orders, and funding of subsequent year requirements on a multiyear contract.

"Collateral costs," as used in this clause, means agency cost of operation, maintenance, logistic support, or Government-furnished property.

"Collateral savings," as used in this clause, means those measurable net reductions resulting from a VECP in the agency's overall projected collateral costs, exclusive of acquisition savings, whether or not the acquisition cost changes.

"Contracting office" includes any contracting office that the acquisition is transferred to, such as another branch of the agency or another agency's office that is performing a joint acquisition action.

"Contractor's development and implementation costs," as used in this clause, means those costs the Contractor incurs on a VECP specifically in developing, testing, preparing, and submitting the VECP, as well as those costs the Contractor incurs to make the contractual changes required by Government acceptance of a VECP.

"Future unit cost reduction," as used in this clause, means the instant unit cost reduction adjusted as the Contracting Officer considers necessary for projected learning or changes in quantity during the sharing period. It is calculated at the time the VECP is accepted and applies either (1) throughout the sharing period, unless the Contracting Officer decides that recalculation is necessary because conditions are significantly different from those previously anticipated or (2) to the calculation of a lump-sum payment, which cannot later be revised.

"Government costs," as used in this clause, means those agency costs that result directly from developing and implementing the VECP, such as any net increases in the cost of testing, operations, maintenance, and logistics support. The term does not include the normal administrative costs of processing the VECP or any increase in this contract's cost or price resulting from negative instant contract savings.

"Instant contract," as used in this clause, means this contract, under which the VECP is submitted. It does not include increases in quantities after acceptance of the VECP that are due to contract modifications, exercise of options, or additional orders. If this is a multiyear contract, the term does not include quantities funded after VECP acceptance. If this contract is a fixed-price contract with prospective price redetermination, the term refers to the period for which firm prices have been established.

"Instant unit cost reduction" means the amount of the decrease in unit cost of performance (without deducting any Contractor's development or implementation costs) resulting from using the VECP on this, the instant contract. If this is a service contract, the instant unit cost reduction is normally equal to the number of hours per line-item task saved by using the VECP on this contract, multiplied by the appropriate contract labor rate.

"Negative instant contract savings" means the increase in the cost or price of this contract when the acceptance of a VECP results in an excess of the Contractor's allowable development and implementation costs over the product of the instant unit cost reduction multiplied by the number of instant contract units affected.

"Net acquisition savings" means total acquisition savings, including instant, concurrent, and future contract savings, less Government costs.

"Sharing base," as used in this clause, means the number of affected end items on contracts of the contracting office accepting the VECP.

Sharing period, as used in this clause, means the period beginning with acceptance of the first unit incorporating the VECP and ending at a calendar date or event determined by the contracting officer for each VECP.

"Unit," as used in this clause, means the item or task to which the Contracting Officer and the Contractor agree the VECP applies.

"Value engineering change proposal (VECP)" means a proposal that--

- (1) Requires a change to this, the instant contract, to implement; and
- (2) Results in reducing the overall projected cost to the agency without impairing essential functions or characteristics; provided, that it does not involve a change--
  - (i) In deliverable end item quantities only;
  - (ii) In research and development (R&D) end items or R&D test quantities that is due solely to results of previous testing under this contract; or
  - (iii) To the contract type only.
- (c) VECP preparation. As a minimum, the Contractor shall include in each VECP the information described in subparagraphs (1) through (8) below. If the proposed change is affected by contractually required configuration management or similar procedures, the instructions in those procedures relating to format, identification, and priority assignment shall govern VECP preparation. The VECP shall include the following:

(1) A description of the difference between the existing contract requirement and the proposed requirement, the comparative advantages and disadvantages of each, a justification when an item's function or characteristics are being altered, the effect of the change on the end item's performance, and any pertinent objective test data.

(2) A list and analysis of the contract requirements that must be changed if the VECP is accepted, including any suggested specification revisions.

(3) Identification of the unit to which the VECP applies.

(4) A separate, detailed cost estimate for (i) the affected portions of the existing contract requirement and (ii) the VECP. The cost reduction associated with the VECP shall take into account the Contractor's allowable development and implementation costs, including any amount attributable to subcontracts under the Subcontracts paragraph of this clause, below.

(5) A description and estimate of costs the Government may incur in implementing the VECP, such as test and evaluation and operating and support costs.

(6) A prediction of any effects the proposed change would have on collateral costs to the agency.

(7) A statement of the time by which a contract modification accepting the VECP must be issued in order to achieve the maximum cost reduction, noting any effect on the contract completion time or delivery schedule.

(8) Identification of any previous submissions of the VECP, including the dates submitted, the agencies and contract numbers involved, and previous Government actions, if known.

(d) Submission. The Contractor shall submit VECP's to the Contracting Officer, unless this contract states otherwise. If this contract is administered by other than the contracting office, the Contractor shall submit a copy of the VECP simultaneously to the Contracting Officer and to the Administrative Contracting Officer.

(e) Government action. (1) The Contracting Officer will notify the Contractor of the status of the VECP within 45 calendar days after the contracting office receives it. If additional time is required, the Contracting Officer will notify the Contractor within the 45-day period and provide the reason for the delay and the expected date of the decision. The Government will process VECP's expeditiously; however, it shall not be liable for any delay in acting upon a VECP.

(2) If the VECP is not accepted, the Contracting Officer will notify the Contractor in writing, explaining the reasons for rejection. The Contractor may withdraw any VECP, in whole or in part, at any time before it is accepted by the Government. The Contracting Officer may require that the Contractor provide written notification before undertaking significant expenditures for VECP effort.

(3) Any VECP may be accepted, in whole or in part, by the Contracting Officer's award of a modification to this contract citing this clause and made either before or within a reasonable time after contract performance is completed. Until such a contract modification applies a VECP to this contract, the Contractor shall perform in accordance with the existing contract. The decision to accept or reject all or part of any VECP is a unilateral decision made solely at the discretion of the Contracting Officer.

(f) Sharing rates. If a VECP is accepted, the Contractor shall share in net acquisition savings according to the percentages shown in the table below. The percentage paid the Contractor depends upon (1) this contract's type (fixed-price, incentive, or cost-reimbursement), (2) the sharing arrangement specified in paragraph (a) above (incentive, program requirement, or a combination as delineated in the Schedule), and (3) the source of the savings (the instant contract, or concurrent and future contracts), as follows:

**CONTRACTOR'S SHARE OF NET ACQUISITION SAVINGS**

(Figures in percent)

Contract Type	Incentive (Voluntary)		Program Requirement (Mandatory)	
	Instant Contract Rate	Concurrent and Future Contract Rate	Instant Contract Rate	Concurrent and Future Contract Rate
Fixed-price (includes fixed-price-award-fee; excludes other fixed-price incentive contracts)	(1) 50	(1) 50	(1) 25	25
Incentive (fixed-price or cost) (other than award fee)	(2)	(1) 50	(2)	25
Cost-reimbursement (includes cost-plus-award-fee; excludes other cost-type incentive Contracts)	(3) 25	(3) 25	15	15

(1) The Contracting Officer may increase the Contractor's sharing rate to as high as 75 percent for each VECP.

(2) Same sharing arrangement as the contract's profit or fee adjustment formula.

(3) The Contracting Officer may increase the Contractor's sharing rate to as high as 50 percent for each VECP.

(g) Calculating net acquisition savings.

(1) Acquisition savings are realized when (i) the cost or price is reduced on the instant contract, (ii) reductions are negotiated in concurrent contracts, (iii) future contracts are awarded, or (iv) agreement is reached on a lump-sum payment for future contract savings (see subparagraph (i)(4) below). Net acquisition savings are first realized, and the Contractor shall be paid a share, when Government costs and any negative instant contract savings have been fully offset against acquisition savings.

(2) Except in incentive contracts, Government costs and any price or cost increases resulting from negative instant contract savings shall be offset against acquisition savings each time such savings are realized until they are fully offset. Then, the Contractor's share is calculated by multiplying net acquisition savings by the appropriate Contractor's percentage sharing rate (see paragraph (f) above). Additional Contractor shares of net acquisition savings shall be paid to the Contractor at the time realized.

(3) If this is an incentive contract, recovery of Government costs on the instant contract shall be deferred and offset against concurrent and future contract savings. The Contractor shall share through the contract incentive structure in savings on the instant contract items affected. Any negative instant contract savings shall be added to the target cost or to the target price and ceiling price, and the amount shall be offset against concurrent and future contract savings.

(4) If the Government does not receive and accept all items on which it paid the Contractor's share, the Contractor shall reimburse the Government for the proportionate share of these payments.

(h) Contract adjustment. The modification accepting the VECP (or a subsequent modification issued as soon as possible after any negotiations are completed) shall--

(1) Reduce the contract price or estimated cost by the amount of instant contract savings, unless this is an incentive contract;

(2) When the amount of instant contract savings is negative, increase the contract price, target price and ceiling price, target cost, or estimated cost by that amount;

(3) Specify the Contractor's dollar share per unit on future contracts, or provide the lump-sum payment;

(4) Specify the amount of any Government costs or negative instant contract savings to be offset in determining net acquisition savings realized from concurrent or future contract savings; and

(5) Provide the Contractor's share of any net acquisition savings under the instant contract in accordance with the following:

(i) Fixed-price contracts--add to contract price.

(ii) Cost-reimbursement contracts--add to contract fee.

(i) Concurrent and future contract savings.

(1) Payments of the Contractor's share of concurrent and future contract savings shall be made by a modification to the instant contract in accordance with subparagraph (h)(5) above. For incentive contracts, shares shall be added as a separate firm-fixed-price line item on the instant contract. The Contractor shall maintain records adequate to identify the first delivered unit for 3 years after final payment under this contract.

(2) The Contracting Officer shall calculate the Contractor's share of concurrent contract savings by (i) subtracting from the reduction in price negotiated on the concurrent contract any Government costs or negative instant contract savings not yet offset and (ii) multiplying the result by the Contractor's sharing rate.

(3) The Contracting Officer shall calculate the Contractor's share of future contract savings by (i) multiplying the future unit cost reduction by the number of future contract units scheduled for delivery during the sharing period, (ii) subtracting any Government costs or negative instant contract savings not yet offset, and (iii) multiplying the result by the Contractor's sharing rate.

(4) When the Government wishes and the Contractor agrees, the Contractor's share of future contract savings may be paid in a single lump sum rather than in a series of payments over time as future contracts are awarded. Under this alternate procedure, the future contract savings may be calculated when the VECP is accepted, on the basis of the Contracting Officer's forecast of the number of units that will be delivered during the sharing period. The Contractor's share shall be included in a modification to this contract (see subparagraph (h)(3) above) and shall not be subject to subsequent adjustment.

(5) Alternate no-cost settlement method. When, in accordance with subsection 48.104-4 of the Federal Acquisition Regulation, the Government and the Contractor mutually agree to use the no-cost settlement method, the following applies:

- (i) The Contractor will keep all the savings on the instant contract and on its concurrent contracts only.
- (ii) The Government will keep all the savings resulting from concurrent contracts placed on other sources, savings from all future contracts, and all collateral savings.
- (j) Collateral savings. If a VECP is accepted, the Contracting Officer will increase the instant contract amount, as specified in paragraph (h)(5) of this clause, by a rate from 20 to 100 percent, as determined by the Contracting Officer, of any projected collateral savings determined to be realized in a typical year of use after subtracting any Government costs not previously offset. However, the Contractor's share of collateral savings will not exceed the contract's firm-fixed-price, target price, target cost, or estimated cost, at the time the VECP is accepted, or \$100,000, whichever is greater. The Contracting Officer will be the sole determiner of the amount of collateral savings.
- (k) Relationship to other incentives. Only those benefits of an accepted VECP not rewardable under performance, design-to-cost (production unit cost, operating and support costs, reliability and maintainability), or similar incentives shall be rewarded under this clause. However, the targets of such incentives affected by the VECP shall not be adjusted because of VECP acceptance. If this contract specifies targets but provides no incentive to surpass them, the value engineering sharing shall apply only to the amount of achievement better than target.
- (l) Subcontracts. The Contractor shall include an appropriate value engineering clause in any subcontract of \$150,000 or more and may include one in subcontracts of lesser value. In calculating any adjustment in this contract's price for instant contract savings (or negative instant contract savings), the Contractor's allowable development and implementation costs shall include any subcontractor's allowable development and implementation costs, and any value engineering incentive payments to a subcontractor, clearly resulting from a VECP accepted by the Government under this contract. The Contractor may choose any arrangement for subcontractor value engineering incentive payments; provided, that the payments shall not reduce the Government's share of concurrent or future contract savings or collateral savings.
- (m) Data. The Contractor may restrict the Government's right to use any part of a VECP or the supporting data by marking the following legend on the affected parts:
- "These data, furnished under the Value Engineering clause of contract . . . . . , shall not be disclosed outside the Government or duplicated, used, or disclosed, in whole or in part, for any purpose other than to evaluate a value engineering change proposal submitted under the clause. This restriction does not limit the Government's right to use information contained in these data if it has been obtained or is otherwise available from the Contractor or from another source without limitations."
- If a VECP is accepted, the Contractor hereby grants the Government unlimited rights in the VECP and supporting data, except that, with respect to data qualifying and submitted as limited rights technical data, the Government shall have the rights specified in the contract modification implementing the VECP and shall appropriately mark the data. (The terms "unlimited rights" and "limited rights" are defined in Part 27 of the Federal Acquisition Regulation.)
- (End of clause)

## 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

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*[Insert one or more Internet addresses]*

(End of clause)

#### 52.252-6 AUTHORIZED DEVIATIONS IN CLAUSES (APR 1984)

(a) The use in this solicitation or contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the clause.

(b) The use in this solicitation or contract of any insert regulation name (48 CFR       ) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

(End of clause)

#### 252.204-7006 BILLING INSTRUCTIONS (OCT 2005)

When submitting a request for payment, the Contractor shall--

(a) Identify the contract line item(s) on the payment request that reasonably reflect contract work performance; and

(b) Separately identify a payment amount for each contract line item included in the payment request.

(End of clause)

#### 252.204-7012 SAFEGUARDING OF UNCLASSIFIED CONTROLLED TECHNICAL INFORMATION (NOV 2013)

(a) Definitions. As used in this clause--

Adequate security means protective measures that are commensurate with the consequences and probability of loss, misuse, or unauthorized access to, or modification of information.

Attribution information means information that identifies the Contractor, whether directly or indirectly, by the grouping of information that can be traced back to the Contractor (e.g., program description or facility locations).

Compromise means disclosure of information to unauthorized persons, or a violation of the security policy of a system, in which unauthorized intentional or unintentional disclosure, modification, destruction, or loss of an object, or the copying of information to unauthorized media may have occurred.

Contractor information system means an information system belonging to, or operated by or for, the Contractor.

Controlled technical information means technical information with military or space application that is subject to controls on the access, use, reproduction, modification, performance, display, release, disclosure, or dissemination. Controlled technical information is to be marked with one of the distribution statements B-through-F, in accordance with DoD Instruction 5230.24, Distribution Statements on Technical Documents. The term does not include information that is lawfully publicly available without restrictions.

Cyber incident means actions taken through the use of computer networks that result in an actual or potentially adverse effect on an information system and/or the information residing therein.

Exfiltration means any unauthorized release of data from within an information system. This includes copying the data through covert network channels or the copying of data to unauthorized media.

Media means physical devices or writing surfaces including, but is not limited to, magnetic tapes, optical disks, magnetic disks, large-scale integration memory chips, and printouts onto which information is recorded, stored, or printed within an information system.

Technical information means technical data or computer software, as those terms are defined in the clause at DFARS 252.227-7013, Rights in Technical Data--Non Commercial Items, regardless of whether or not the clause is incorporated in this solicitation or contract. Examples of technical information include research and engineering data, engineering drawings, and associated lists, specifications, standards, process sheets, manuals, technical reports, technical orders, catalog-item identifications, data sets, studies and analyses and related information, and computer software executable code and source code.

(b) Safeguarding requirements and procedures for unclassified controlled technical information. The Contractor shall provide adequate security to safeguard unclassified controlled technical information from compromise. To provide adequate security, the Contractor shall—

(1) Implement information systems security in its project, enterprise, or company-wide unclassified information technology system(s) that may have unclassified controlled technical information resident on or transiting through them. The information systems security program shall implement, at a minimum—

(i) The specified National Institute of Standards and Technology (NIST) Special Publication (SP) 800-53 security controls identified in the following table; or

(ii) If a NIST control is not implemented, the Contractor shall submit to the Contracting Officer a written explanation of how—

(A) The required security control identified in the following table is not applicable; or

(B) An alternative control or protective measure is used to achieve equivalent protection.

(2) Apply other information systems security requirements when the Contractor reasonably determines that information systems security measures, in addition to those identified in paragraph (b)(1) of this clause, may be required to provide adequate security in a dynamic environment based on an assessed risk or vulnerability.

#### Table 1--Minimum Security Controls for Safeguarding

Minimum required security controls for unclassified controlled technical information requiring safeguarding in accordance with paragraph (d) of this clause. (A description of the security controls is in the NIST SP 800-53,

“Security and Privacy Controls for Federal Information Systems and Organizations”  
<http://csrc.nist.gov/publications/PubsSPs.html>.)

<u>Access Control</u>	<u>Audit &amp; Accountability</u>	<u>Identification and Authentication</u>	<u>Media Protection</u>	<u>System &amp; Comm Protection</u>
AC-2	AU-2	IA-2	MP-4	SC-2
AC-3(4)	AU-3	IA-4	MP-6	SC-4
AC-4	AU-6(1)	IA-5(1)	<u>Physical and Environmental Protection</u>	SC-7
AC-6	AU-7		PE-2	SC-8(1)
AC-7	AU-8		PE-3	SC-13
AC-11(1)	AU-9	<u>Incident Response</u>	PE-5	SC-15
AC-17(2)		IR-2		SC-28
AC-18(1)	<u>Configuration Management</u>	IR-4	<u>Program Management</u>	
AC-19	CM-2	IR-5	PM-10	<u>System &amp; Information Integrity</u>
AC-20(1)	CM-6	IR-6		SI-2
AC-20(2)	CM-7		<u>Risk Assessment</u>	SI-3
AC-22	CM-8	<u>Maintenance</u>	RA-5	SI-4
		MA-4(6)		
<u>Awareness &amp; Training</u>	<u>Contingency Planning</u>	MA-5		
AT-2	CP-9	MA-6		

Legend:

AC: Access Control  
 AT: Awareness and Training MP:  
 AU: Auditing and Accountability  
 CM: Configuration Management  
 CP: Contingency Planning  
 IA: Identification and Authentication  
 IR: Incident Response  
 MA: Maintenance  
 MP: Media Protection  
 PE: Physical & Environmental Protection  
 PM: Program Management  
 RA: Risk Assessment  
 SC: System & Communications Protection  
 SI: System & Information Integrity

(c) Other requirements. This clause does not relieve the Contractor of the requirements specified by applicable statutes or other Federal and DoD safeguarding requirements for Controlled Unclassified Information as established by Executive Order 13556, as well as regulations and guidance established pursuant thereto.

(d) Cyber incident and compromise reporting.

(1) Reporting requirement. The Contractor shall report as much of the following information as can be obtained to the Department of Defense via (<http://dibnet.dod.mil/>) within 72 hours of discovery of any cyber incident, as described in paragraph (d)(2) of this clause, that affects unclassified controlled technical information resident on or transiting through the Contractor's unclassified information systems:

- (i) Data Universal Numbering System (DUNS).
  - (ii) Contract numbers affected unless all contracts by the company are affected.
  - (iii) Facility CAGE code if the location of the event is different than the prime Contractor location.
  - (iv) Point of contact if different than the POC recorded in the System for Award Management (address, position, telephone, email).
  - (v) Contracting Officer point of contact (address, position, telephone, email).
  - (vi) Contract clearance level.
  - (vii) Name of subcontractor and CAGE code if this was an incident on a subcontractor network.
  - (viii) DoD programs, platforms or systems involved.
  - (ix) Location(s) of compromise.
  - (x) Date incident discovered.
  - (xi) Type of compromise (e.g., unauthorized access, inadvertent release, other).
  - (xii) Description of technical information compromised.
  - (xiii) Any additional information relevant to the information compromise.
- (2) Reportable cyber incidents. Reportable cyber incidents include the following:
- (i) A cyber incident involving possible exfiltration, manipulation, or other loss or compromise of any unclassified controlled technical information resident on or transiting through Contractor's, or its subcontractors', unclassified information systems.
  - (ii) Any other activities not included in paragraph (d)(2)(i) of this clause that allow unauthorized access to the Contractor's unclassified information system on which unclassified controlled technical information is resident on or transiting.
- (3) Other reporting requirements. This reporting in no way abrogates the Contractor's responsibility for additional safeguarding and cyber incident reporting requirements pertaining to its unclassified information systems under other clauses that may apply to its contract, or as a result of other U.S. Government legislative and regulatory requirements that may apply (e.g., as cited in paragraph (c) of this clause).
- (4) Contractor actions to support DoD damage assessment. In response to the reported cyber incident, the Contractor shall—

(i) Conduct further review of its unclassified network for evidence of compromise resulting from a cyber incident to include, but is not limited to, identifying compromised computers, servers, specific data and users accounts. This includes analyzing information systems that were part of the compromise, as well as other information systems on the network that were accessed as a result of the compromise;

(ii) Review the data accessed during the cyber incident to identify specific unclassified controlled technical information associated with DoD programs, systems or contracts, including military programs, systems and technology; and

(iii) Preserve and protect images of known affected information systems and all relevant monitoring/packet capture data for at least 90 days from the cyber incident to allow DoD to request information or decline interest.

(5) DoD damage assessment activities. If DoD elects to conduct a damage assessment, the Contracting Officer will request that the Contractor point of contact identified in the incident report at (d)(1) of this clause provide all of the damage assessment information gathered in accordance with paragraph (d)(4) of this clause. The Contractor shall comply with damage assessment information requests. The requirement to share files and images exists unless there are legal restrictions that limit a company's ability to share digital media. The Contractor shall inform the Contracting Officer of the source, nature, and prescription of such limitations and the authority responsible.

(e) Protection of reported information. Except to the extent that such information is lawfully publicly available without restrictions, the Government will protect information reported or otherwise provided to DoD under this clause in accordance with applicable statutes, regulations, and policies. The Contractor shall identify and mark attribution information reported or otherwise provided to the DoD. The Government may use information, including attribution information and disclose it only to authorized persons for purposes and activities consistent with this clause.

(f) Nothing in this clause limits the Government's ability to conduct law enforcement or counterintelligence activities, or other lawful activities in the interest of homeland security and national security. The results of the activities described in this clause may be used to support an investigation and prosecution of any person or entity, including those attempting to infiltrate or compromise information on a contractor information system in violation of any statute.

(g) Subcontracts. The Contractor shall include the substance of this clause, including this paragraph (g), in all subcontracts, including subcontracts for commercial items.

(End of clause)

## 252.216-7006 ORDERING (MAY 2011)

(a) Any supplies and services to be furnished under this contract shall be ordered by issuance of delivery orders or task orders by the individuals or activities designated in the contract schedule. Such orders may be issued from \_\_\_\_ TBD \_\_\_\_ through \_\_\_\_ TBD \_\_\_\_ [insert dates].

(b) All delivery orders or task orders are subject to the terms and conditions of this contract. In the event of conflict between a delivery order or task order and this contract, the contract shall control.

(c)(1) If issued electronically, the order is considered ``issued" when a copy has been posted to the Electronic Document Access system, and notice has been sent to the Contractor.

(2) If mailed or transmitted by facsimile, a delivery order or task order is considered "issued" when the Government deposits the order in the mail or transmits by facsimile. Mailing includes transmittal by U.S. mail or private delivery services.

(3) Orders may be issued orally only if authorized in the schedule.

TBD – To be completed at time of award.

(End of Clause)

#### AWARD FEE REDUCTION OR DENIAL FOR JEOPARDIZING THE HEALTH OR SAFETY OF GOVERNMENT PERSONNEL (APR 2010) (DEVIATION)

(a) Definition. As used in this clause--

“Covered incident” - (1) Means any incident in which the contractor –

(i) Has been determined, through a criminal, civil, or administrative proceeding that results in a disposition listed in paragraph (2) of this definition in the performance of this contract to have caused serious bodily injury or death of any civilian or military personnel of the Government through gross negligence or with reckless disregard for the safety of such personnel; or

(ii) Has been determined through a criminal, civil, or administrative proceeding that results in a disposition listed in paragraph (2) of this definition to be liable for actions of a subcontractor of the Contractor that caused serious bodily injury or death of any civilian or military personnel of the Government through gross negligence or with reckless disregard for the safety of such personnel.

(2) Shall include those incidents that have resulted in any of the following dispositions:

(i) In a criminal proceeding, a conviction.

(ii) In a civil proceeding, a finding of fault or liability that results in the payment of a monetary fine, penalty, reimbursement, restitution, or damage of \$5,000 or more.

(iii) In an administrative proceeding, a finding of fault or liability that results in --

(A) The payment of a monetary fine or penalty of \$5,000 or more; or

(B) The payment of a reimbursement, restitution, or damages in excess of \$100,000.

(iv) In a criminal, or administrative proceeding, a disposition of the matter by consent or compromise with an acknowledgement of fault by the Contractor if the proceeding could have led to any of the outcomes specified in subparagraphs (a)(2)(i), (a)(2)(ii) or (a)(2)(iii).

(b) The award fee of the Contractor may be reduced or denied, if its performance under this contract for the relevant award fee period results in a covered incident.

(End of clause)

# AWARD FEE REDUCTION OR DENIAL FOR JEOPARDIZING THE HEALTH OR SAFETY OF GOVERNMENT PERSONNEL (APR 2010) (DEVIATION)

(a) Definition. As used in this clause--

“Covered incident” - (1) Means any incident in which the contractor –

(i) Has been determined, through a criminal, civil, or administrative proceeding that results in a disposition listed in paragraph (2) of this definition in the performance of this contract to have caused serious bodily injury or death of any civilian or military personnel of the Government through gross negligence or with reckless disregard for the safety of such personnel; or

(ii) Has been determined through a criminal, civil, or administrative proceeding that results in a disposition listed in paragraph (2) of this definition to be liable for actions of a subcontractor of the Contractor that caused serious bodily injury or death of any civilian or military personnel of the Government through gross negligence or with reckless disregard for the safety of such personnel.

(2) Shall include those incidents that have resulted in any of the following dispositions:

(i) In a criminal proceeding, a conviction.

(ii) In a civil proceeding, a finding of fault or liability that results in the payment of a monetary fine, penalty, reimbursement, restitution, or damage of \$5,000 or more.

(iii) In an administrative proceeding, a finding of fault or liability that results in --

(A) The payment of a monetary fine or penalty of \$5,000 or more; or

(B) The payment of a reimbursement, restitution, or damages in excess of \$100,000.

(iv) In a criminal, or administrative proceeding, a disposition of the matter by consent or compromise with an acknowledgement of fault by the Contractor if the proceeding could have led to any of the outcomes specified in subparagraphs (a)(2)(i), (a)(2)(ii) or (a)(2)(iii).

(b) The award fee of the Contractor may be reduced or denied, if its performance under this contract for the relevant award fee period results in a covered incident.

(End of clause)

## 252.225-7048 EXPORT-CONTROLLED ITEMS (JUNE 2013)

(a) Definition. "Export-controlled items," as used in this clause, means items subject to the Export Administration Regulations (EAR) (15 CFR Parts 730-774) or the International Traffic in Arms Regulations (ITAR) (22 CFR Parts 120-130). The term includes--

(1) "Defense items," defined in the Arms Export Control Act, 22 U.S.C. 2778(j)(4)(A), as defense articles, defense services, and related technical data, and further defined in the ITAR, 22 CFR Part 120; and

(2) "Items," defined in the EAR as "commodities", "software", and "technology," terms that are also defined in the EAR, 15 CFR 772.1.

(b) The Contractor shall comply with all applicable laws and regulations regarding export-controlled items, including, but not limited to, the requirement for contractors to register with the Department of State in accordance with the ITAR. The Contractor shall consult with the Department of State regarding any questions relating to compliance with the ITAR and shall consult with the Department of Commerce regarding any questions relating to compliance with the EAR.

(c) The Contractor's responsibility to comply with all applicable laws and regulations regarding export-controlled items exists independent of, and is not established or limited by, the information provided by this clause.

(d) Nothing in the terms of this contract adds, changes, supersedes, or waives any of the requirements of applicable Federal laws, Executive orders, and regulations, including but not limited to—

(1) The Export Administration Act of 1979, as amended (50 U.S.C. App. 2401, et seq.);

(2) The Arms Export Control Act (22 U.S.C. 2751, et seq.);

(3) The International Emergency Economic Powers Act (50 U.S.C. 1701, et seq.);

(4) The Export Administration Regulations (15 CFR Parts 730-774);

(5) The International Traffic in Arms Regulations (22 CFR Parts 120-130); and

(6) Executive Order 13222, as extended.

(e) The Contractor shall include the substance of this clause, including this paragraph (e), in all subcontracts.

(End of clause)

## 252.229-7999 TAXES – FOREIGN CONTRACTS IN AFGHANISTAN (DEVIATION 2013-O0016) (JULY 2013)

(a) This acquisition is covered by the Agreement regarding the Status of United States Military and Civilian Personnel of the U.S. Department of Defense Present in Afghanistan with Cooperative Efforts in Response to Terrorism, Humanitarian and Civic Assistance, Military Training and Exercises, and other Activities, entered into between the United States and Afghanistan which was concluded by an exchange of diplomatic notes (U.S. Embassy Kabul note No. 202, dated September 26, 2002; Afghan Ministry of Foreign Affairs notes 791 and 93, dated December 12, 2002, and May 28, 2003, respectively), and entered into force on May 28, 2003.

- (b) The Agreement exempts the Government of the United States of America and its contractors, subcontractors and contractor personnel from paying any tax or similar charge assessed within Afghanistan. The Agreement also exempts the acquisition, importation, exportation and use of articles and services in the Republic of Afghanistan by or on behalf of the Government of the United States of America in implementing this agreement from any taxes, customs duties or similar charges in Afghanistan.
- (c) The Contractor shall exclude any Afghan taxes, customs duties or similar charges from its contract price.
- (d) The Agreement does not exempt Afghan employees of DoD contractors and subcontractors from Afghan tax laws. To the extent required by Afghanistan law, contractors and subcontractors are required to withhold tax from the wages of these employees and to remit those payments to the appropriate Afghanistan taxing authority. These withholdings are an individual's liability, not a tax against the Contractor or subcontractor.
- (e) The Contractor shall include the substance of this clause, including this paragraph (e), in all subcontracts.

(End of clause)

#### 252.232-7001 DISPOSITION OF PAYMENTS (DEC 1991)

Payment will be by a dual payee Treasury check made payable to the contractor or the \_\_\_\_\_ and will be forwarded to that disbursing office for appropriate disposition.

(End of clause)

Section J - List of Documents, Exhibits and Other Attachments

SECTION J - LIST OF ATTACHMENT

Attachment\_1\_DD254

Attachment\_2\_Wage\_Determination

Attachment\_3\_Labor\_Category\_Mix\_Summary\_Format

Attachment\_4\_Previous\_Contracting\_Efforts

Attachment\_5\_Certificate\_of\_Non-Disclosure

Exhibit\_1\_CDRL\_A001

Exhibit\_1\_CDRL\_A002

Exhibit\_1\_CDRL\_A003

Exhibit\_2\_DI\_MGMT\_80368A

Exhibit\_2\_DI\_MGMT\_81864

Exhibit\_2\_DI\_MISC-81364

CLAUSES INCORPORATED BY FULL TEXT

**HQ J-2-0002 CONTRACT LANGUAGE FOR SECTION J**

The following document(s), exhibit(s), and other attachment(s) form a part of this contract:

Contract Data Requirements List, DD Form 1423 – Exhibits \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ page(s);

Shipping Instruction Data, NAVSEA Form 4336/1 – Attachment \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ page(s);

Financial Accounting Data Sheet(s) – Attachment \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ page(s);

Contract Security Classification Specification, DD Form 254 – Attachment \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ page(s);

**(End of Text)**